



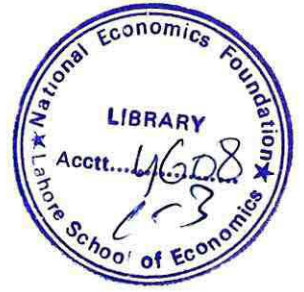
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Annual Report 1995-96

STATE BANK OF PAKISTAN

ANNUAL REPORT

1995 - 96



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STATE BANK OF PAKISTAN

CENTRAL BOARD OF DIRECTORS

Dr. Muhammad Yaqub

Governor and Chairman

Mian Tayyab Hassan

Member

Mr. H.U. Beg

Member

Syed Yawar Ali

Member

Syed Zulfikar Ali Bokhari

Member

Mr. Shahjehan S. Karim

Member

Dr. Hafiz A. Pasha

Member

Ch. Rashid Ahmad Javed
Director, Corporate Affairs Department

Secretary



STATE BANK OF PAKISTAN

Governor

Dr. Muhammad Yaqub

Deputy Governors

Sibghatullah

Mahfooz Alam

Muhammad Anwar Asi

Chief Economic Adviser

M. Ashraf Janjua

Executive Directors

Mukhtar Nabi Qureshi

Rashid Akhtar Chughtai

Dr. Ali Akbar M. Dhakan

Muhammad Safdar Piracha*

Khalid Mahmud Salim

Imtiaz Ahmed

Advisers

Dr. Iqbal Mehdi Zaidi

I.A. Farooq

Dr. Andrew T. Hook

Accounts Department

FARHAT SAEED

Director

Administration Department

MUHAMMAD SARWAT HUSSAIN

Director

Agricultural Credit Department

MAHBOOB KHAN

Director

Audit Department

MUHAMMAD AFROZE KHAN

Director

Banking Inspection Department -I

TASADDUQ HUSSAIN-I

Director

Banking Inspection Department-II

SHAH ABUL HASAN

Director

Banking Policy & Regulations Department

SAEED HAIDER BHATTI

Director

Branch Supervision Department

SYED NASRAT KAMAL

Director

*Redesignated as Senior Adviser w.e.f. 29-8-1996

<i>Computer Services Department</i> NASIM HUSSAIN	<i>Director</i>
<i>Corporate Affairs Department</i> CH. RASHID AHMAD JAVED	<i>Director</i>
<i>Credit Information Bureau</i> MUNIR AHMAD	<i>Director</i>
<i>Engineering Department</i> ABDUL MAJID KHAN	<i>Director</i>
<i>Foreign Exchange Department</i> TASSADUQ HUSSAIN-II	<i>Director</i>
<i>Foreign Exchange Adjudication Department</i> OVAIS AKHTAR	<i>Director</i>
<i>General Economic Research Department</i> RIAZ RIAZUDDIN	<i>Additional Director</i>
<i>Internal Bank Security Department</i> SHARAFAT ALY KHAN	<i>Chief Security Officer</i>
<i>International Economic Research Department</i> MAHMUD KHAN LODHI	<i>Director</i>
<i>Legal Department</i> MRS. NAEEM HUSSAIN NIGAR	<i>Director</i>
<i>Medical Services Department</i> DR. MUHAMMAD GHIAS	<i>Director</i>
<i>Monetary and Fiscal Research Department</i> MUHAMMAD SIDDIQUE JANGDA	<i>Director</i>
<i>NBFIs Regulation & Supervision Department</i> MANSUR-UR-REHMAN KHAN	<i>Director</i>
<i>Personnel Department</i> RUKHSAR AHMED	<i>Director</i>
<i>Public Relations Department</i> SYED WASIMUDDIN	<i>Director</i>
<i>Securities Department</i> MUHAMMAD ILYAS	<i>Director</i>
<i>Statistics Department</i> MUHMAMMAD HANIF	<i>Director</i>
<i>Training Department</i> ABDUL GHANI	<i>Director</i>

OFFICES OF THE BANK

Karachi	Muhammad Akram Shad	<i>Chief Manager</i>
Lahore	Shahadat Ali	<i>Chief Manager</i>
Islamabad	Sardar Muhammad Asi	<i>Chief Manager</i>
Rawalpindi	Liaqat Durrani	<i>Chief Manager</i>
Peshawar	Arshad Subhani	<i>Chief Manager</i>
Quetta	Ishtiaq Muhammad Khan	<i>Chief Manager</i>
North Nazimabad, Karachi	Muhammad Sadiq	<i>Chief Manager</i>
Hyderabad	Amanullah Khan	<i>Chief Manager</i>
Sukkur	Syed Mahfooz Ali	<i>Chief Manager</i>
Bahawalpur	Ghulam Shabbir Awan	<i>Chief Manager</i>
Multan	Amanat Ali	<i>Chief Manager</i>
Faisalabad	Umar Khitab	<i>Chief Manager</i>
Sialkot	Akhtar Hussain	<i>Chief Manager</i>
D.I.Khan	Habibur Rehman Khan	<i>Chief Manager</i>
Muzaffarabad	Muhammad Umar Ghani	<i>Chief Manager</i>

FOREIGN EXCHANGE OFFICE

Gujranwala	Muhammad Bashir Ansari	<i>Assistant Director</i>
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LETTER OF TRANSMITTAL

State Bank of Pakistan
Karachi.
October 24, 1996.

My dear Jafarey Saheb,

In accordance with Section 40(2) of the State Bank of Pakistan Act, 1956 the Balance Sheet of the Bank as on June 30, 1996 and the Profit and Loss Account for the year 1995-96 duly signed by me, Deputy Governor, Director of Accounts and certified by the Bank's Auditors were transmitted to the Government on 26th August, 1996.

In continuation thereof I submit herewith the Annual Report of the Central Board of Directors on the working of the Bank for the year ended June 30, 1996.

With best personal regards.

Yours sincerely,

Sd/-
(MUHAMMAD YAQUB)
Governor

Mr. V.A. Jafarey,
Adviser to the Prime Minister
on Finance and Economic Affairs,
Government of Pakistan,
ISLAMABAD.

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REPORT

**of the Central Board of
Directors of the State Bank
of Pakistan for the year
ended 30th June, 1996**

AN OVERVIEW OF ECONOMIC AND FINANCIAL DEVELOPMENTS IN 1995-96 AND TARGETS AND PROSPECTS FOR 1996-97

Introduction

The main macroeconomic objectives for 1995-96 were to increase the rate of economic growth from 4.4 per cent in 1994-95 to 6.5 per cent, reduce the inflation rate from 13.0 per cent to 9.5 per cent, and contain the external current account deficit to 4.4 per cent of GDP. To achieve these objectives, the budget deficit was to be reduced from 5.6 per cent of GDP in 1994-95 to 5.0 per cent, through revenue raising and expenditure restraining measures. Tight fiscal policy was reinforced by a lowering of the target for the rate of monetary expansion from 16.6 per cent in 1994-95 to 13.0 per cent. On the trade account, exports were projected to increase by 14 per cent and import growth contained to 10.6 per cent in 1995-96. However, developments in the first quarter of the year turned out to be out of tune with the above targets in several respects. Borrowing for budgetary support in the first quarter was substantially higher than the target for the year as a whole, inflation showed no sign of abatement, the external trade balance worsened and foreign exchange reserves and the exchange rate came under pressure. In the wake of these developments early in the year, the Government adopted several reinforcing measures in October-November, 1995 to contain macroeconomic imbalances. These measures included an exchange rate adjustment, the imposition of regulatory import duty, an adjustment in petroleum product prices and a reduction in non-core development expenditure. Moreover, the budget deficit target was reduced to 4.6 per cent of GDP. Exchange rate adjustment and tightening of the fiscal policy were accompanied by a firming of the monetary policy stance in the form of an increase in repo rate of the State Bank of Pakistan and reduction in the target for monetary expansion to 12.1 per cent. The reinforced policy package improved the macroeconomic situation in several respects in the second-half of 1995-96. Inflation rate began to decline, export growth accelerated, import growth slowed down and there was a substantial improvement in foreign exchange reserves.

The performance for the year as a whole, however, remained mixed in the wake of developments in the first-half of the year. While most of the supply side targets for the year as a whole were met or exceeded, contributing to an easing of domestic inflationary pressures and creating exportable surpluses, there were noticeable weaknesses in demand management. On the supply side, the growth rate of the economy increased from 4.4 per cent in 1994-95 to 6.1 per cent in 1995-96. Most of the sectors showed rising growth rates, with the bumper cotton crop helping to pull up the growth rate in the agricultural sector and also contributing to some revival in the textile industry. Production of minor agricultural crops increased significantly in contrast

to the low growth in the preceding year. The industrial sector growth of 6.1 per cent was almost double that of the preceding year, with large-scale manufacturing recording a growth of 3.1 per cent compared with 0.5 per cent in 1994-95. The rate of inflation, as measured by the Consumer Price Index, declined from 13.0 per cent to 10.8 per cent in 1995-96.

There were, however, slippages in demand management. Notwithstanding the substantial resource mobilisation effort made in the beginning and the middle of the year, the budget deficit target for 1995-96 could not be achieved. The latest estimates indicate that the budget deficit was 5.8 per cent of GDP in 1995-96. The larger budget deficit was financed, inter alia, by bank borrowing for budgetary support of Rs. 54 billion which was about twice the target of Rs. 28 billion for the year. Excessive government borrowing was the main factor responsible for higher domestic credit growth of over 20 per cent compared with the revised target of 14.3 per cent. This, in turn, exerted pressures on domestic prices as well as on the exchange rate and the balance of payments. A drawdown of net foreign assets of the banking system led to a deceleration in the growth in money supply from 16.6 per cent in 1994-95 to 14.9 per cent, but remained higher than the revised target of 12.1 per cent for 1995-96.

Several of the balance of payments targets for the year as a whole could not be achieved. Exports increased by only 7 per cent in the year as a whole, import growth amounted to 16.2 per cent, and workers' remittances declined by 21.7 per cent. As a result of these developments, the current account deficit widened to 6.6 per cent of GDP compared with 3.6 per cent in 1994-95 and the target of 4.4 per cent for the year. However, the almost tripling of foreign direct investment to \$1.1 billion and a sizable increase in foreign currency deposits helped mitigate the impact of the wider current account deficit and foreign exchange reserves stood at \$2.1 billion at the end of 1995-96.

Real Sector Developments and Policies

The economic recovery accelerated further in 1995-96 with real GDP growth rate increasing to 6.1 per cent, which was significantly higher than the average of 4.5 per cent in the preceding two years and a meagre growth rate of 2.3 per cent in 1992-93. The higher growth rate was quite broad-based in contrast to the outcome in 1994-95 when growth in the large-scale manufacturing sector had been barely positive and the mining and quarrying sector had actually contracted. The growth rates of the three main sectors (agriculture, industry and services) accelerated to a range of 5.8-6.7 per cent, with the largest increase recorded in agriculture.

The growth rate of the agricultural sector at 6.7 per cent in 1995-96 exceeded the target of 6.2 per cent for the year and compared favourably with the preceding two years' average growth of 5.6 per cent and a negative growth of 5.3 per cent in 1992-93. The healthy growth in agricultural output reflected the continued good performance of major crops, whose production increased by 9 per cent, compared with 8.7 per cent recorded last year. Amongst the major crops, cotton production registered the largest increase of 22.2 per cent, indicating success in controlling the leaf curl virus problem which had so badly marred the cotton performance in the preceding three years. In addition to implementing effective plant protection measures, the intensive use of improved seed varieties and efficient use of fertilizers also helped to increase cotton production.

Wheat production continued to increase, to reach a new record level, in response to higher procurement prices, although effective use of inputs and favourable weather conditions also helped. Production of rice and other major crops also increased. The main exception was sugarcane production which declined as some of the area under sugarcane cultivation was diverted to more profitable activity of cotton production. A very striking aspect of the performance of the agricultural sector was that the growth rate of minor agricultural crops, at 4.9 per cent, was more than double the growth rate of the preceding year. Expansion of minor crops at a rate faster than the population growth was one of the contributory factors in the reduction in the rate of inflation. Since several of the minor crops, such as pulses, are grown on non-irrigated land, improved farm management techniques could be utilized to combat dry weather conditions and further increase their low yields.

The industrial sector growth of 6.1 per cent in 1995-96 was almost double that of the preceding year but still remained below the trend growth rate. Large-scale manufacturing, which is the largest sub-sector of the industrial sector, registered a growth of 3.1 per cent compared to the 0.5 per cent growth of the preceding year. The performance of the large-scale manufacturing sector was helped by the significant increase in investment in plant and machinery, with several sub-sectors such as cement, cigarettes, motor cycles, soda ash, and bicycles showing sharp increases over the production levels of the preceding year. However, the overall growth rate in large-scale manufacturing was pulled down by the negative growth of 17.7 per cent in sugar production. The major reasons for the decline in the sugar production were increased uncertainties regarding sugar prices as well as disputes between the sugar processing industry and farmers. Textile industry was given a boost by the bumper cotton crop, with cotton yarn production increasing by 7.1 per cent, although the industry was still far from a full recovery. The growth rate in cotton manufactures remained significantly below the trend growth and cloth production increased by only 0.9 per cent. This points to the continued adjustment difficulties in the textile industry necessitating further corporate restructuring and other measures aimed at reviving the potentially viable sick units.

Investment activity showed considerable buoyancy in large-scale manufacturing and electricity and gas. Real investment increased by 35.6 per cent in large-scale manufacturing and by 24.0 per cent in electricity and gas in 1995-96. The ratio of total investment to GNP increased from 18.6 per cent in 1994-95 to 19.4 per cent in 1995-96, with the large increase in private sector investment more than offsetting the decline in the ratio of public sector investment to GNP. However, the increase in investment was mainly financed by net external resource inflow because national savings as a per cent of GNP actually declined from 14.6 per cent to 13.6 per cent in 1995-96. The country's savings rate is amongst the lowest even in the group of low-income developing countries, and requires an in-depth analysis for adoption of measures to improve the saving performance of the economy. A substantial increase in national savings is an essential prerequisite to lessen dependence on external resource inflows, reduce the vulnerability of the balance of payments and ensure non-inflationary financing of a rising level of domestic investment.

Price Developments and Policies

The inflation rate, as measured by the Consumer Price Index, decelerated from 13.0 per cent in 1994-95 to 10.8 per cent in 1995-96, although it was above the target of 9.5 per cent. The fall in the inflation rate was more pronounced in terms of the Wholesale Price Index, which decelerated from 16.3 per cent to 10.3 per cent, as well as the Sensitive Price Indicator, which decelerated from 15.0 per cent to 10.7 per cent. The slowdown in the rate of inflation was largely on account of the rebound in production, particularly the larger than targeted growth of the agricultural sector. Food prices, which make up about one-half of the weight of the CPI, were relieved from the supply-side pressures of the preceding years when growth of minor agricultural crops had been held back by adverse weather conditions and other factors. Food price inflation showed a decline from 16.7 per cent in 1994-95 to 10.1 per cent in 1995-96 but most of the other consumer prices continued to remain under pressure reflecting the impact of excess demand conditions emanating from the higher budget deficit and larger bank borrowing for budgetary support. In addition, excessive reliance on indirect taxes for resource mobilisation and adjustment in several service charges and administered prices coupled with devaluation and imposition of the regulatory duty contributed to higher production costs and to cost-push inflation.

Budgetary Developments and Fiscal Policy

The original 1995-96 Budget was meant to strike a balance between the need, on the one hand, for tighter demand management to control inflationary pressures and, on the other hand, to provide some breathing space from the adjustment fatigue by stretching out the macroeconomic adjustment and structural reform period. Accordingly, the original Budget aimed to reduce the overall deficit from 5.6 per cent of GDP in 1994-95 to 5.0 per cent in 1995-96. The improvement in budgetary balance was to come through the additional resource mobilisation effort made in the beginning of the year and a curtailment in expenditure. The original budgetary effort was reinforced with additional measures in October, 1995 with the result that the revised tax revenue was to increase from 13.8 per cent of GDP in 1994-95 to 14.6 per cent in 1995-96 and development expenditure was to be reduced from 4.41 per cent of GDP in 1994-95 to 4.36 per cent in 1995-96.

The latest estimates indicate slippages in the fiscal performance both on the revenue and expenditure side with the result that the budget recorded a deficit of 5.8 per cent of GDP in 1995-96. The revenue shortfall in 1995-96 was reminiscent of the experience of previous years and the difficulties that have been encountered in collecting taxes. In spite of a substantial tax effort made in each of the last several years, including 1995-96, the tax-GDP ratio has remained almost unchanged reflecting the inelasticity of taxes, weaknesses in tax administration and prevalence of tax evasion. If additional taxation is excluded from tax collections, tax receipts show very low growth in all these years, certainly much lower than the growth in nominal GDP. The problem, therefore, is not the inadequacy of tax effort but inability of the system to collect taxes. Given the already low levels of development expenditure and the limited flexibility in current expenditure on account of the defence and interest payments, the effort of fiscal authorities needs to shift from the imposition of new taxes towards measures for an improvement in tax elasticity and tax collection and a reduction in tax evasion.

The modernisation of the taxation system and improvement in tax administration hold the key to the country's fiscal problems. Effective implementation of a broad-based low rate consumption tax, documentation of the economy, expansion of direct tax base through elimination of loopholes and unnecessary exemptions and concessions and inclusion of agriculture in the direct tax net are critical for raising the tax-GDP ratio. Increased taxation at the provincial and local level linked with an improvement in the provision of public goods is also critically essential. This needs to be reinforced by improved fiscal performance of corporations not only to generate resources for their development expenditure but also to make timely payments of their debt servicing liabilities to the Government. On the expenditure side, there is a need to reduce stock of debt through fiscal consolidation, as well as to use privatisation proceeds to retire the most expensive debt. In addition, structural reforms of the financial sector that lead to improved profitability of banks could substantially increase the tax base. Non-tax revenues could also be improved by reducing leakages through the "quasi-fiscal" operations in the public sector.

Monetary Developments and Monetary Policy

The Credit Plan for 1995-96 was formulated to achieve the twin objectives of controlling inflation and ensuring sufficient availability of bank credit to meet the genuine financing needs of the private sector. Monetary growth was to be lowered from 16.6 per cent in 1994-95 to 12.1 per cent in 1995-96. However, the reduction in monetary growth was to be achieved by restricting government borrowing, containing expansion of credit under the government sponsored schemes, and some drawdown of net foreign assets of the banking system. Private sector credit was programmed to grow at a rate adequate to meet all of the productive requirements and net domestic assets were programmed to increase by 14.3 per cent and private sector credit (excluding directed credit) by 19.3 per cent.

The actual outturn diverged significantly from credit plan targets for 1995-96. Net domestic assets increased by 20.2 per cent, compared to an increase of 12.3 per cent in the previous year and target of 14.3 per cent for 1995-96. The major factor behind the excessive increase in net domestic assets was government borrowing for budgetary support, which at Rs. 53.6 billion was well-above the target of Rs. 28.1 billion in the Credit Plan. The government sector as a whole (including use of PTC sale proceeds, commodity operations and credit to autonomous bodies) absorbed Rs. 73.6 billion or about one-half of the total domestic credit expansion of Rs. 154.2 billion.

In spite of pre-emption of a large part of domestic credit by the public sector, the State Bank made sure that credit availability to the private sector was in line with the target of the Credit Plan so that productive activities in the private sector remained unaffected. In fact, expansion of credit to the private sector (excluding public sector enterprises) at Rs. 52 billion in 1995-96 was about right on target. In other words, the larger public sector borrowing was not allowed to crowd out the private sector but rather the aggregate monetary and credit targets were allowed to be exceeded. The expansion in domestic credit was 5.9 percentage points above the credit plan target for 1995-96 and that of monetary expansion 2.8 percentage points.

The State Bank took further steps to liberalise and consolidate the credit markets and shift its monetary control mechanism from direct controls to market-based instruments. The credit-deposit ratio, which for many years had been the major instrument for credit control but had lost its operational relevance last year when it had been raised progressively to 36 per cent, was abolished on September 30, 1995. Thereafter, open market operations became the principal instrument for monetary management, with only occasional use having been made of the other reinforcing indirect instruments, such as reserve requirements and discount window operations. The cut-off yield at the primary auction of government securities and on open market operations was allowed to increase gradually during the year so as to bring it closer to market rates.

The nationalised banking sector is characterised by imprudent lending, excessive loan defaults, poor recovery effort and inefficiencies in management as reflected in high administrative costs. The State Bank issued several directives during the year to effect improvement in all these areas and took steps to strengthen its supervisory capabilities and tighten monitoring of the banking system. However, these efforts met with only limited success due to the entrenched vested interests and the "banking culture" that developed after the nationalisation of banks. A durable solution to these problems is privatisation of all the nationalised banks and development finance institutions, except the National Bank of Pakistan. In the meantime, there is an urgent need to strengthen their management and improve legislative and administrative framework for speedy loan recovery and enhanced accountability of bankers as well as loan defaulters.

External Sector Developments and Policies

The balance of payments position weakened sharply in the first-half of the year with the current account deficit widening to \$2.6 billion compared to \$1.2 billion in the corresponding period of the previous year. The larger current account deficit reflected the fall in remittances, stagnation in exports and the sharp expansion in imports. However, the exchange rate adjustment and tightening of demand management helped to reverse the trend in the second-half of the year. In the second-half of the year, exports increased and imports growth declined with the result that the current account deficit declined to \$ 1.6 billion from \$ 2.6 billion in the first-half. However, the targets for the year as a whole could not be achieved. The growth rate of exports at 7.0 per cent in 1995-96 turned out to be one-half of the target of 14.0 per cent. The growth rate of imports at 16.2 per cent for the year as a whole was significantly higher than the target of 10.6 per cent. As a result, the year ended with the current account deficit of \$4.2 billion or 6.6 per cent of GDP. This deficit was financed by a larger than programmed capital account surplus. Foreign direct investment increased markedly, from \$ 0.4 billion in 1994-95 to \$ 1.1 billion in 1995-96. There were also sizable increases in foreign currency accounts of \$ 1.73 billion during the year. Foreign exchange reserves were \$ 2.1 billion at the end of 1995-96.

Targets and Prospects for 1996-97

The main macro targets for 1996-97 are to raise economic growth rate to 6.3 per cent, lower inflation to 8.5 per cent and bring down the current account deficit of the balance of payments to 4.4 per cent of GDP. Export growth is projected at 14.4 per cent and import growth at 5.3 per

cent, which, in combination with larger remittances and direct foreign investment, was expected to increase foreign exchange reserves during the year. The intermediate targets are to reduce the budget deficit to 4 per cent of GDP, lower bank borrowing for budgetary support to Rs. 20 billion, contain domestic credit expansion to 11.1 per cent and money growth to 13.1 per cent.

The achievement of these ambitious targets would require sustained effort to implement prudent fiscal, monetary and exchange rate policies in a consistent and co-ordinated manner on the one hand and to ensure further industrial sector recovery and sustenance of the momentum of agricultural expansion on the other. On the demand management side, the pace setter will be the fiscal policy which ought to avoid "implementation slippages" and ensure that both expenditure and revenue of the Federal Government remain on track, provincial governments contain their borrowings from the State Bank within the "Ways and Means limits" approved for them and public sector corporations fully service their debt prior to undertaking new development projects which should, in any case, be subject to strict financial discipline. The State Bank would have to deny new credit lines to specialised institutions and insist on linking their new lending with recoveries of the old loans. Private sector productive credit requirements would need to be fully met but credit for low priority and speculative activities would have to be restrained. Recovery of the textile sector and a good cotton crop would be essential for the achievement of the growth target. In brief, pursuit of a prudent fiscal policy, financial sector reforms, better debt management and continuation of the effort to sustain high agricultural growth and achieve further recovery in the industrial sector are the key to ensuring a moderation in inflation and reducing the vulnerability of the balance of payments over the medium-term.

Selected Macroeconomic Indicators

	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P	1996-97 (Targets)
(Growth rates)						
Real GDP at constant factor cost	7.7	2.3	4.5	4.4	6.1	6.3
Agriculture	9.5	- 5.3	5.2	5.9	6.7	5.0
Manufacturing	8.1	5.4	5.4	2.9	4.8	7.2
GDP Deflator	10.1	8.7	12.9	13.6	10.0	...
Consumer Price Index (1990-91=100)	10.6	9.8	11.3	13.0	10.8	8.5
Sensitive Price Indicator (1990-91=100)	10.5	10.7	11.8	15.0	10.7	...
Domestic Liquidity	30.3	18.0	16.9	16.6	14.9	13.1
Domestic Credit	26.1	24.3	10.1	12.3	20.2	11.1
Exports (f.o.b.)	14.6	0.3	- 1.4	16.1	7.0	14.4
Imports (f.o.b.)	7.3	11.7	- 13.6	18.5	16.2	5.3
Liquid Foreign Exchange Reserves (Million US \$) (at the end of year)	1012	461	2305	2737	2065	2331
(In percentage of GDP)						
Total Investment	20.1	20.7	19.4	18.7	19.6	20.5
National Savings	17.1	13.6	15.7	14.7	13.7	16.2
Tax Revenue	13.6	13.3	13.3	13.8	14.0	14.9
Total Revenue	19.1	18.0	17.3	17.3	17.7	18.5
Budgetary Expenditure	26.5	26.0	23.2	23.0	23.5	22.5
Budgetary Deficit	7.4	8.0	5.9	5.6	5.8	4.0
Public Sector Borrowing Requirement	7.4	9.6	6.8	6.8	6.3	4.6
Current Account Balance	- 1.9	- 6.4	- 3.2	- 3.6	- 6.6	- 4.4
Domestic Debt	43.1	44.9	44.6	42.8	41.8	39.5
Foreign Debt	40.7	44.6	47.7	45.0	46.2	...
Total Debt	83.8	89.5	92.3	87.8	88.0	...

P = Provisional.

R = Revised.

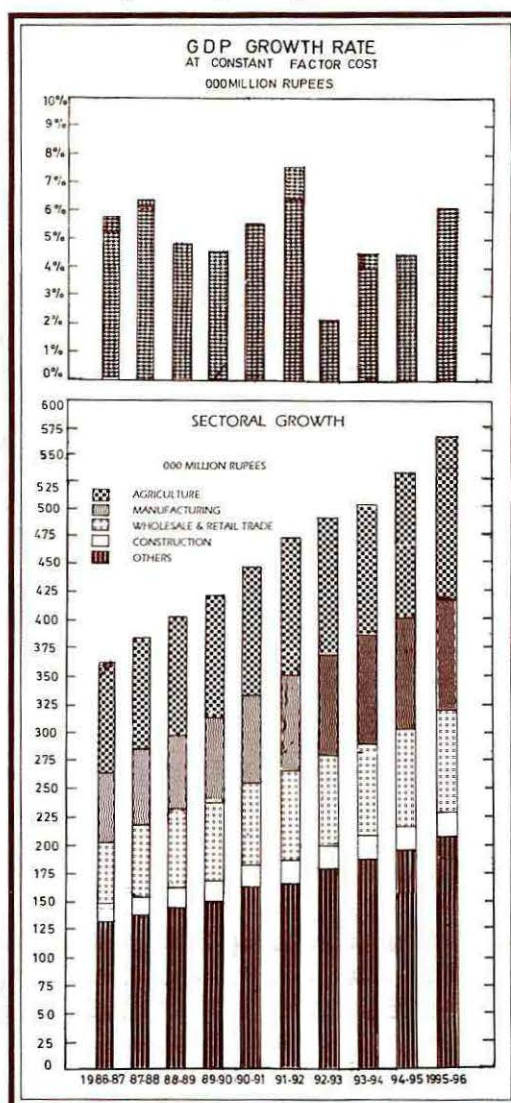
II. ECONOMIC GROWTH, SAVINGS AND INVESTMENT

Introduction

Gross Domestic Product (GDP) in real terms increased by 6.1 per cent during 1995-96 compared with 4.4 per cent in the preceding year and the original target of growth rate of about 6.5 per cent for 1995-96. Recovery in GDP growth was led by 6.7 per cent growth in agricultural sector as compared with 5.9 per cent in 1994-95. At this level growth in agricultural sector exceeded the target growth rate of 6.2 per cent for 1995-96. Agricultural growth was shared both by major and minor crops. Industrial sector grew by 6.1 per cent in 1995-96 compared with 3.6 per cent in the preceding year but fell short of target growth rate of 7.5 per cent for 1995-96.

With population increasing at 2.8 per cent per annum, GDP per capita in real terms increased by 3.3 per cent which was significantly higher than that in the preceding several years. A sharp reduction in worker's remittances led to a fall of 20 per cent in net factor income from abroad. Consequently, the growth rate of GNP was lower than that of GDP in real terms during 1995-96. Real Gross National Product (GNP) increased by 5.9 per cent as compared with growth rate of 5.0 per cent in 1994-95.

One of the striking aspects of developments in 1995-96 was a sharp increase in consumption expenditure by 21.8 per cent in nominal terms, compared with 20.0 per cent in 1994-95. Consumption expenditure rose to 87.5 per cent of GNP from 83.6 per cent in the preceding year. It was due to rise in both the private and public consumption expenditures which rose by 22.1 per cent and 20.1 per cent respectively during



1995-96. As a consequence of increase in consumption, national savings fell to 13.7 per cent of GDP from 14.7 per cent in the preceding year. National savings grew by 8.6 per cent to Rs.298.6 billion in 1995-96 as compared to an increase of 11.7 per cent a year earlier. Public savings increased markedly by 42.0 per cent during 1995-96 to Rs.54.2 billion and private savings grew by 3.2 per cent to Rs.244.4 billion.

There was a considerable increase in investment activity during 1995-96 despite a fall in the rate of national savings. Gross total investment at current market prices grew by 21.8 per cent to Rs.425.2 billion during 1995-96 as compared with an increase of 14.3 per cent in the preceding year. As a percentage of GNP, it rose to 19.4 per cent from 18.6 per cent last year. The share of national savings in financing gross total investment declined to 70.2 per cent from 78.8 per cent in 1994-95. Gap between investment and national savings was filled by a net external resource inflow of Rs.126.6 billion during 1995-96 which was 29.8 per cent of gross total investment and 5.8 per cent of GNP.

GDP: Sectoral Growth

The commodity producing sectors grew by 6.4 per cent during 1995-96 as compared with 4.7 per cent in the preceding year. Agriculture registered an increase of 6.7 per cent including a 9.0

Sectoral Growth of Real GDP
(Percentage Changes and Shares at Constant Factor Cost of 1980-81)

Sectors/Sub-sectors	Growth Rates		Sectoral Shares	
	1994-95 ^R	1995-96 ^P	1994-95 ^R	1995-96 ^P
Real Gross Domestic Product (A+B)	4.4	6.1	100.0	100.0
(A) Commodity Producing Sectors (1+2)	4.7	6.4	51.1	51.3
(1) <u>Agriculture</u>	5.9	6.7	24.7	24.8
Crops	6.7	7.8	15.5	15.7
Major	8.7	9.0	11.0	11.2
Minor	2.3	4.9	4.5	4.5
Livestock	5.5	5.6	8.0	8.0
Fishing	-7.3	8.3	0.9	1.0
Forestry	21.8	-23.9	0.3	0.2
(2) <u>Industry</u>	3.6	6.1	26.5	26.5
Manufacturing	2.9	4.8	18.2	18.0
Large-scale	0.5	3.1	12.4	12.1
Small-scale	8.4	8.4	5.8	5.9
Mining and Quarrying	-4.3	8.3	0.5	0.5
Construction	1.0	4.5	4.0	3.9
Electricity and Gas	11.1	13.4	3.8	4.1
(B) <u>Services sectors</u>	4.2	5.8	48.9	48.7
Wholesale and Retail Trade	4.0	8.3	16.2	16.5
Transport and Communication	2.8	4.1	10.0	9.8
Finance and Insurance	3.0	4.0	2.4	2.4
Ownership of Dwellings	5.3	5.3	5.6	5.5
Public Administration and Defence	3.1	2.9	6.5	6.3
Other Services	6.5	6.5	8.2	8.2

R = Revised.

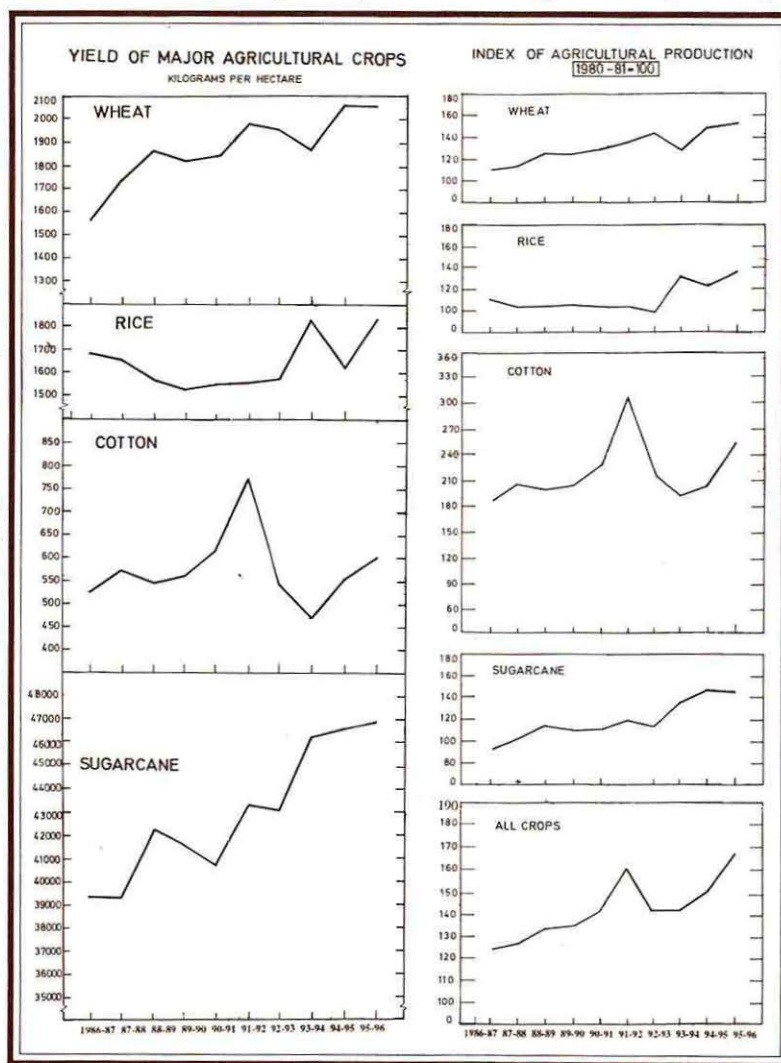
P = Provisional.

per cent increase in major crops, 4.9 per cent in minor crops, 5.6 per cent in livestock and 8.3 per cent in fishing sector. Large-scale manufacturing sector recorded growth rate of 3.1 per cent during 1995-96 compared with only 0.5 per cent in the preceding year. Together with 8.4 per cent growth in small-scale manufacturing, the manufacturing sector as a whole grew by 4.8 per cent. Electricity and gas sector grew by 13.4 per cent mainly due to substantial increase in the power generation by WAPDA and KESC. Wholesale and retail trade grew by 8.3 per cent in 1995-96, transport and communication by 4.1 per cent, finance and insurance by 4.0 per cent, ownership of dwellings by 5.3 per cent and services sector as a whole by 5.8 per cent.

Agriculture

Agricultural sector was targeted to grow at the rate of 6.2 per cent during 1995-96. Policy measures particularly those relating to support prices of various crops coupled with favourable weather conditions resulted in better than targeted growth performance. Agricultural growth rate was provisionally estimated at 6.7 per cent for 1995-96 compared with 5.9 per cent in the last year. Primary impetus to agricultural growth in 1995-96 was provided by major crops which grew by 9.0 per cent compared with a target of 8.1 per cent and growth rate of 8.7 per cent last year. Minor crops also grew by 4.9 per cent compared with target of 4.0 per cent and growth rate of 2.2 per cent in 1994-95. Livestock was provisionally estimated to grow by 5.6 per cent in 1995-96, close to the target of 5.5 per cent. Fishing grew by 8.3 per cent while forestry declined by 23.9 per cent in 1995-96.

Among the major crops, production of cotton increased by 22.2 per cent to 10.63 million bales making it the largest con-



tributor to the growth of agricultural sector in 1995-96. Area under cotton increased by 13 per cent to 2,997 thousand hectares in 1995-96. Adoption of effective plant protection measures by government and growers, use of improved varieties of seed, efficient use of fertilizers and favourable weather conditions contributed to increase in yield of cotton by 8.1 per cent to 603 kilograms per hectare in 1995-96. Production of wheat increased by 0.8 per cent to 17.15 million tonnes in 1995-96. Increase in procurement price of wheat initially by 3.13 per cent in November, 1995 had a favourable impact on sowing of wheat during October- December, 1995. Procurement price of wheat was increased again by 6.06 per cent in March, 1996. Area under wheat cultivation increased by 1.5 per cent to 8,292 thousand hectares in 1995-96. However, yield declined by 0.6 per cent to 2,068 kilograms per hectare in 1995-96. Production of rice was estimated at 3.97 million tonnes in 1995-96, showing an increase of 15.1 per cent against a decline of 13.7 per cent in 1994-95. Recovery in output of rice crop during 1995-96 was aided by increase in support prices of different varieties of paddy and rice in the range of 5.71-9.16 per cent which provided an incentive to growers to increase the area by 1.7 per cent. It was mostly the increase in rice yield by 13.1 per cent to 1,834 kilograms per hectare which contributed to the recovery in the output of rice crop. Improvement in yield was brought about by timely pest control measures, improved farm management practices and good weather conditions in Punjab and Sindh. Sugarcane production declined by 4.1 per cent to 45.23 million tonnes in 1995-96 in contrast to a rise of 6.2 per cent in 1994-95. Increase in support prices of sugarcane on 30th October, 1995 in the range of 4.58 - 4.88 per cent failed to persuade growers to increase the area of cultivation. Area under cultivation of sugarcane declined by 4.6 per cent to 963 thousand hectares. However, favourable weather conditions contributed to increase in yield by 0.6 per cent to 47.0 tonnes per hectare in 1995-96. Production of gram was estimated to have increased by 21.6 per cent to 0.68 million tonnes during 1995-96 against a sharp increase of 36.0 per cent last year. This increase in output resulted from an increase in area by 5.1 per cent and in yield by 15.8 per cent during 1995-96. The output of maize, bajra and jowar, on the other hand, declined by 2.6 per cent, 28.9 per cent and 3.0 per cent respectively in 1995-96.

Structure and Growth of Agriculture Value Added

(Percentage Changes and Shares at Constant Factor Cost of 1980-81)

Sectors/Sub-sectors	Growth Rates		Shares in Agriculture	
	1994-95 ^R	1995-96 ^P	1994-95 ^R	1995-96 ^P
Agriculture	5.87	6.74	100.00	100.00
Major Crops	8.69	8.96	44.36	45.28
Wheat	13.51	3.26	13.91	13.46
Cotton	9.80	21.57	12.34	14.05
Sugarcane	7.73	-3.04	7.41	6.73
Rice	-7.23	13.23	6.00	6.36
Others	18.29	6.18	4.70	4.68
Minor Crops	2.25	4.87	18.35	18.03
Livestock	5.54	5.61	32.38	32.03
Fishing	-7.26	8.34	3.81	3.87
Forestry	21.81	-23.90	1.10	0.78

R = Revised.

P = Provisional.

Food Situation

The overall food situation in the country was reported as satisfactory during 1995-96. Total foodgrains production increased by 4.46 per cent from 22.42 million tonnes in 1994-95 to 23.42 million tonnes in 1995-96. With wheat import of 1.97 million tonnes and estimated domestic production of 17.15 million tonnes, sufficient stock of wheat was available to meet domestic consumption and reserve requirements during 1995-96. Wheat stock with government, however, decreased to 3.48 million tonnes at the end of June, 1996 from 3.83 million tonnes a year earlier. As against the procurement target of 4.48 million tonnes for wheat crop harvested in March-May 1996, actual procurement upto end- June, 1996 was 3.43 million tonnes. The releases of wheat made by the Provincial Governments to flour mills during 1995-96 stood lower at 5.19 million tonnes compared with 5.59 million tonnes a year earlier. Rice procurement stood at 205 thousand tonnes including 51 thousand tonnes of Basmati and 154 thousand tonnes of IRRI-6 during 1995-96 compared with 283 thousand tonnes of Basmati last year. At the end of 1995-96, rice stocks with Rice Export Corporation of Pakistan stood at 347 thousand tonnes as compared with 612 thousand tonnes in 1994-95. The covered storage capacity of rice in the RECP was 800 thousand tonnes at the end of 1995-96.

Per capita availability of rice, pulses, fish and milk was estimated to increase by 65.0 per cent, 40.3 per cent, 0.2 per cent and 2.5 per cent to 17.94 kgs., 7.83 kgs., 4.41 kgs. and 67.16 litres respectively during 1995-96. Availability of rice increased due to higher production and lower exports compared with last year's level. Increase in production and imports of pulses contributed to their larger availability during the year. Declines were recorded in per capita availability of wheat by 0.1 per cent to 130.82 kgs., sugar 6.7 per cent to 26.80 kgs., meat 8.0 per cent to 15.19 kgs. and edible oil/vegetable ghee 12.9 per cent to 10.61 kgs. respectively during 1995-96. The Government decided in early 1996 to set up a special committee to monitor the price behaviour of essential kitchen items and to send early warning about the supply position. In order to contain increase in the prices of food items, government intervened in the marketing of potato and onion during 1995-96. Other items already covered included wheat, rice, cotton, sugarcane, tobacco, sunflower, safflower and soybean. Government allowed the private sector to import fresh milk and meat from the Central Asian States to meet demand pressures of these items. On 30th October, 1995, the Federal Government decided to exempt edible oil, pulses, wheat and potato from the levy of 10 per cent regulatory duty to bring relief to the consumers.

Agricultural Policy

Various measures were taken during 1995-96 to encourage farmers, fishermen and foresters to increase their productivity. In addition to support price measures, actions were taken to improve the availability of credit, quality seeds, fertilizers, water resources, farm machinery and research and extension services. Improved infrastructure facilities were provided to promote fishing and afforestation programme was undertaken to increase tree plantation. Following a decision by the National Credit Consultative Council, a Task Force for agricultural loans was set up in September, 1995 to set targets for production loans for Rabi crops and to ensure that adequate bank credit was provided to meet genuine needs of farmers.

Procurement price of wheat was increased by 3.13 per cent at the beginning of the sowing season. Price was increased again in March, 1996 by 6.06 per cent which had a favourable impact on wheat grower's income during harvesting season. Overall increase in procurement price of wheat during 1995-96 was 9.38 per cent. Incentive was provided to the rice growers through increases in procurement prices of different varieties of paddy and rice in the range of 5.71-9.16 per cent for 1995-96 crop. Support prices of sugarcane were increased on 30th October, 1995 by 4.88 per cent for Punjab and NWFP and by 4.58 per cent for Sindh and Balochistan for 1995-96 crop and prices were again raised on 25th March, 1996 by 11.63 per cent for Punjab and NWFP and 12.63 per cent for Sindh and Balochistan for 1996-97 crop. Support prices of different varieties of cotton (phutti) and cotton lint were not changed for 1995-96 crop which were previously increased in the range of 9.50-30.15 per cent in May, 1994. During 1995-96, support prices of onion and gram were also raised by 8.97 per cent and 4.76 per cent respectively.

A 'Kisan Banking Window Scheme' was introduced in the Agricultural Development Bank of Pakistan (ADBP) which started providing credit through its 356 branches in the country. Small farmers having subsistence holding upto 12.5 acres in Punjab and NWFP, 16 acres in Sindh and 32 acres in Balochistan of irrigated land and double of it in barani areas are eligible to obtain credit under the scheme. The credit was provided on personal guarantee as well as on pass-book at a mark-up rate of 14.0 per cent. Provision of production loans was made more effective during 1995-96 by allowing it to be determined through actual crop requirements rather than a flat assessment on acreage basis. Special instructions were issued by the government to financial institutions to accelerate the pace of disbursement. ADBP has increased per acre loan ceiling for cotton production from Rs.2,000 to Rs.5,000 per acre and decided to dispose of loan cases within three days. It was also decided to provide liberal loans to increase production of oil seed in the country by promoting cultivation of non-traditional oil seeds. The bank has increased per acre loan ceiling for production purpose for purchase of seeds, fertilizers and pesticides from Rs.900 to Rs.1,415 per acre for soybean and sunflower crops.

During 1995-96, small farmers in calamity affected areas were given relief in production loans. Heavy rains/floods caused damage during monsoon of 1995-96 to crops and 3,246 villages were declared as calamity-hit areas (2,987 villages in Punjab, 176 in Sindh and 83 in Neelum valley of Azad Kashmir). After ascertaining the repaying capacity of the affected loanees, whose crops were destroyed by over one-half, ADBP allowed rescheduling in notified areas subject to deposit of 25 per cent of the amount in default. Verification was needed relating to extent of damage to crops and area sown for cases of loans exceeding Rs.50,000. However, verification was exempted for cases with loans upto Rs.50,000. For speedy settlement of rescheduling in calamity hit areas, the bank has given powers to its branch managers, regional managers and directors upto Rs.2 lac, Rs.5 lac and Rs.10 lac respectively. Cases of over one million rupees would be scrutinised at head office.

Government took several measures to enhance the supply of quality seeds to farmers. Seed business was given industry status, duty free import of inbred lines of seed were allowed for the production of hybrid seeds, foundation seed cells were established to produce basic seeds, customs duty was reduced from 30 per cent to 10 per cent on import of seed processing

machinery and seed testing equipments and 43 new seed companies were allowed multiplication, production and distribution of quality seed during 1995-96.

The Government reduced the price of DAP fertilizer for Kharif, 1996 season by 8.5 per cent to Rs.492 per bag of 50 kilograms to increase its availability to growers. Balanced use of NPK and other fertilizers was emphasised by the Federal Committee on Agriculture which directed the provincial governments and Pakistan Agricultural Research Council (PARC) to disseminate the necessary knowledge through electronic and print media. The Committee also approved that sufficient reserves of fertilizers should be built-up to meet any shortfall. To improve water resource management, 22 per cent more funds were allocated in 1995-96 Annual Plan for continuation of work on various projects like Pat Feeder Canal, Chashma Right Bank Canal and Outfall Drainage on left and right banks of River Indus etc.

Improvement of infrastructure facilities continued during 1995-96 to increase the productivity in fisheries sector. Construction of Korangi, Pasni and Gwadar fish harbours and renovation of Karachi fish harbour were undertaken. Promotion of forestry was undertaken with provision of incentives in the form of subsidized supply of planting stock, partial payment of planting cost, free protection of planted areas for a limited period of time and fair return to the farmers. Encouragement of livestock production was undertaken by involving private producers with livestock experiment stations to increase productivity of milk and meat from imported breeds. A comprehensive Livestock Development Project was launched in all provinces by the federal and provincial governments with the help of Asian Development Bank. Implementation continued during 1995-96 for establishment of two Agricultural Colleges, one in Larkana and other in Multan.

Agricultural Inputs

Supply position of fertilizers was reported satisfactory during 1995-96. Offtake of fertilizers increased by 14.2 per cent to 2,494 thousand nutrient tonnes in 1995-96 as compared with 2,183 thousand nutrient tonnes last year. The subsidy on fertilizers amounted to Rs.46.7 million during 1995-96 as compared with Rs.66.6 million in the previous year.

The total number of tractors sold during 1995-96 rose to 23,519 (15,544 under regular scheme and 7,975 under Awami Tractors Scheme) compared with 22,027 (17,349 in regular scheme and 4,678 under Awami Tractors Scheme) last year. During 1995-96, 16,208 tractors were locally produced compared with 17,194 tractors in the preceding year.

To improve surface irrigation water availability, 217 new tubewells were installed in the public sector during 1995-96. Other sources which contributed in increasing water availability included a number of private tubewells and 700 Salinity Control and Reclamation Project (SCARP) tubewells. Irrigation water availability was estimated at 130.85 million acre feet in 1995-96 compared with 129.65 million acre feet last year. The overall water availability was reported satisfactory during the year. In order to improve availability of water at farm gate and to reduce the water losses, about 3,449 water courses were estimated to have been improved/cleaned under the "On-Farm Water Management Scheme" during 1995-96 compared with 4,464

last year. For the control of cotton leaf curl virus disease, a number of research and development projects have been started. Sindh Government is initiating a new project for strengthening of plant protection services.

Distribution of improved certified seed in 1995-96 was estimated at 127.11 thousand tonnes as compared with 116.73 thousand tonnes last year, showing an increase of 8.9 per cent. Eleven new seed varieties of wheat, cotton, maize, chickpea, masoor, lentil, rapeseed & mustard, barley and potato were released to farmers. The Federal Seed Certification Department carried out crop inspection of 329,140 acres to assess the genetic purity of seeds, tested 193,304 tonnes of seed for quality, certified 116,866 tonnes of seed including 4,917 tonnes of imported seed and carried out 429 samples for seed health testing. As a result of policy measures undertaken to make seed business as industry, the number of seed companies increased to 89 during 1995-96 compared with 46 last year.

Research work was undertaken by Pakistan Agricultural Research Council (PARC) and affiliated regional offices in the development of new soybean variety, six new wheat varieties, a sugarcane viable fuzz, a sunflower hybrid and eight tomato and three cucumbers hybrids. A rust resistant gene was identified for transfer to commercial wheat varieties. Indigenous sprinkler system, components of trickle irrigation system and low-cost deep well pumping systems were also developed at PARC.

Industry

Industrial sector is estimated to have grown by 6.1 per cent compared with 3.6 per cent in 1994-95 and the target of 7.5 per cent for 1995-96. The large-scale manufacturing sector was provisionally estimated to have grown by 3.1 per cent in 1995-96 compared with growth of 0.5 per cent in 1994-95 and target of 6.0 per cent for 1995-96. The imputed growth rate of 8.4 per cent in small-scale industries was maintained. Electricity and gas sector grew by 13.4 per cent in 1995-96 compared with growth of 11.1 per cent in 1994-95 and target of 13.0 per cent for 1995-96. Construction sector grew by 4.5 per cent in 1995-96 compared with growth of 1.0 per cent in 1994-95 and target of 6.0 per cent for 1995-96. Mining and quarrying sector grew by 8.3 per cent compared with a decline of 4.3 per cent in 1994-95 and target of 5.0 per cent for 1995-96.

Production of sugar, which carries the highest weight in the 96 items of Quantum Index of Large-scale Manufacturing, declined by 17.7 per cent in 1995-96. Incentives given to sugar manufacturers and sugarcane growers in 1995-96, like reduction in excise duty for sugar and increase in support price of sugarcane, failed to enhance either the production of sugarcane or the level of crushing of sugarcane. This was mainly due to conflicts in the objectives of growers and crushers. Although, production of yarn increased by 7.1 per cent during 1995-96, production of cotton cloth increased by only 0.9 per cent as weaving sector came under pressure due to squeeze in gross margins brought about by the increase in prices of most varieties of domestic cotton yarn. Production of cement increased by 12.9 per cent as compared with 3.9 per cent last year and target of 17.4 per cent for 1995-96. Production of fertilizers witnessed an increase of 8.9 per cent during 1995-96 as against a decline of 1.3 per cent last year and target of 3.1 per cent increase in 1995-96.

Structure and Growth of Industrial Value Added
(Percentage Changes and Shares at Constant Factor Cost of 1980-81)

Sectors/Sub-sectors	Growth Rates		Shares in Industry	
	1994-95 ^R	1995-96 ^P	1994-95 ^R	1995-96 ^P
Industry	3.58	6.06	100.00	100.00
Manufacturing	2.91	4.80	68.70	67.88
Large-scale	0.54	3.13	46.91	45.61
Small-scale	8.40	8.40	21.79	22.27
Mining & Quarrying	-4.30	8.31	1.86	1.90
Construction	1.01	4.50	14.98	14.76
Electricity & Gas	11.13	13.38	14.46	15.46

R = Revised.

P = Provisional.

Production of Selected Industrial Items
(Percentage Changes)

Items	1994-95 ^R	1995-96 ^P	Items	1994-95 ^R	1995-96 ^P
Cotton Yarn	4.6	7.1	Fertilizers	-1.3	8.9
Cotton Cloth	2.2	0.9	Soda Ash	-1.4	15.7
Sugar	2.7	-17.7	Cigarettes	-8.9	36.7
Cement	3.9	12.9	Jute Goods	-11.9	4.9
Caustic Soda	4.0	17.6	Motor Cycle	-17.2	60.4
Sheet Glass	3.3	-2.2	Bicycle	-15.8	16.8
Paper & Board	8.1	-0.1	Motor Tyres & Tubes	17.2	9.6

R = Revised.

P = Provisional.

Public Sector Industries

The value of production of public sector industries (excluding Pakistan Steel Mills Corporation) at constant prices of 1987-88 increased by 8.0 per cent to Rs.17.19 billion during 1995-96 as against continuous decline during the preceding two years. The production value of Pakistan Industrial Development Corporation increased by 73.1 per cent due to revival of Shahdadt Textile Mills and Larkana Sugar Mills. Pakistan Automobile Corporation registered an increase of 25 per cent, National Fertilizer Corporation 11.1 per cent, State Petroleum Refining and Petrochemical Corporation 10.9 per cent and Federal Chemical and Ceramics Corporation 1.5 per cent. On the other hand, the production value of State Cement Corporation and State Engineering Corporation declined by 7.3 per cent and 7.8 per cent respectively during the year.

The net sales of public sector industries (excluding Pakistan Steel Mills Corporation) increased by 12.9 per cent as compared with 4.0 per cent in the preceding year. They earned pre-tax profit of Rs.0.87 billion as compared with Rs.1.23 billion in the preceding year. The number of employees in these industries increased from 22,834 as on 30th June, 1995 to 22,884 as on 30th June, 1996.

The total value of production of Pakistan Steel Mills Corporation (at constant prices of 1987-88) declined by 6.8 per cent to Rs.7.12 billion in 1995-96 as compared with a fall of 13.6 per cent in the preceding year. Production of different items in Pakistan Steel declined by 6.06 per cent to 3,578,000 tonnes in 1995-96 from 3,809,000 tonnes in 1994-95. It recorded an estimated pre-tax profit of Rs.0.83 billion in 1995-96 as compared with a pre-tax profit of Rs.0.36 billion a year earlier. The number of employees in Pakistan Steel Mills Corporation declined to 21,498 as on 30th June, 1996 from 21,971 as on 30th June, 1995.

Mineral Production

The Index of Mineral Production (1980-81=100) increased by 4.7 per cent in 1995-96 as against a fall of 2.3 per cent in the preceding year. Value added in mining and quarrying sector increased substantially by 8.3 per cent in sharp contrast to a decline of 4.3 per cent last year. Production of natural gas increased by 0.6 per cent to 17.8 billion cubic meters during 1995-96 as against a decline of 0.6 per cent in the preceding year. Output of crude oil increased by 5.0 per cent in 1995-96 to 21.0 million U.S.barrels as against a fall of 3.4 per cent last year. Production of coal, rock salt, chromite and silica sand increased by 4.4 per cent, 8.8 per cent, 46.7 per cent and 14.5 per cent during the year respectively. On the other hand, production of gypsum and limestone declined by 35.4 per cent and 1.0 per cent respectively. The share of mining and quarrying sector in GDP (at constant factor cost of 1980-81=100) remained unchanged at the preceding year's level of 0.5 per cent.

Industrial Policy

Process of deregulation, privatisation and liberalisation was continued during 1995-96. The Privatisation Commission offered eleven industrial units for sale during 1995-96 of which 9 units were sold compared with three units sold last year. Privatisation of Kot Addu Thermal Power Plant was undertaken with the sale of 26 per cent stake to National Power of U.K. Privatisation of daily Mashriq and Pakistan Times of National Press Trust was also undertaken.

To encourage value addition in textile industry, customs duties on man made yarn and thread, PTA, polyester staple fibre, polyester chips and caprolactum were reduced. Tariff structure on import of machinery was reduced from the range of 15 - 70 per cent to 10 - 45 per cent. A special package of incentives was announced for the textile industry in October, 1995 to provide a level playing field for textile sector and removal of procedural bottlenecks for textile exports. Under the package, in addition to customs collectorate, banks were to process the duty-drawback claims and make payments to the exporters. Rebates on yarn, grey cloth, printed fabric, textile made-ups and garments were enhanced. Export of non-quota woollen and silk products was given freight concession at the rate of 25 per cent from the Export Development Fund. The exemption

from the Export Development Surcharge given to fabrics, made-ups and garments exports was extended upto 30th June, 1996. Similarly, refinance borrowings have either been exempted from the payment of excise duty or equivalent draw back allowed through export rebate. The zero rated import/export policy for cotton and cotton yarn was extended under the Trade Policy 1995-96 for next three financial years. The Committee, headed by Chairman, Pakistan Banking Council for revival of textile sector, was allowed to enter into out of court settlement in court decreed cases against textile mills. Banks were permitted to reschedule loans, lower interest rates or freeze interest repayments for viable weaving and spinning mills.

To encourage development of software engineering, equipments exclusively used for software exports were exempted from all duties, taxes and surcharges. Companies established to set up software technology parks have been treated at par with manufacturing concerns for the purpose of issue/transfer and export of shares. This facility was also provided to power generation and energy related infrastructure companies. Specific incentives were given to engineering industry. Tariff structure on auxiliary inputs of engineering and electronic goods were reduced. Free import of certain categories of iron and steel which are not being regularly supplied by Pakistan Steel was allowed for engineering industry. Industrial consumers, construction and engineering firms were allowed to import used/second-hand tools. The exemption in respect of initial depreciation which expired in June, 1995, was extended for another five years. It was also decided to grant accelerated depreciation facility to new engineering goods industries at the rate of 25 per cent in the first year and additional depreciation of 25 per cent in the second year to be followed by normal depreciation in subsequent years.

A variety of measures were also taken to encourage various industries. Excise duty on sugar was reduced by Rs.50 per ton and restrictions imposed since August, 1995 on bank advances for sugar mills were lifted in October, 1995. Concessionary tariff was allowed for import of machinery for stuffed toy industry which would be zero rated if imported for manufacture in bond. Customs duty on shredded and bundled scrap was increased and equated with duty on ships for breaking. Private entrepreneurs were encouraged to enter shipping sector by granting exemption from disclosing the source of the funds they invest in the industry for five years.

Savings

Gross national savings at current market prices rose by 8.6 per cent to Rs.298.6 billion during 1995-96 as compared with an increase of 11.7 per cent in the preceding year. The share of national savings in GNP fell from 14.6 per cent in 1994-95 to 13.6 per cent during 1995-96. Its share in financing gross total investment declined from 78.8 per cent in 1994-95 to 70.2 per cent during 1995-96. Public savings increased sharply by 42.0 per cent to Rs.54.2 billion during 1995-96 as against a fall of 5.3 per cent in the preceding year. The ratio of public savings to national savings rose from 13.9 per cent in 1994-95 to 18.2 per cent during 1995-96 while that of private savings declined from 86.1 per cent in 1994-95 to 81.8 per cent during 1995-96. Within public savings the magnitude of dissavings in 'general government' stood at Rs.6.9 billion. 'Other savings', however, showed an increase of 78.9 per cent in 1995-96 as against a decline of 22.6 per cent last year. Private savings rose by 3.2 per cent to Rs. 244.4 billion during 1995-96 as compared to an increase of 15.0 per cent last year. Within private savings household and

corporate savings both rose by 3.2 per cent during 1995-96 as compared with the increase of 15.0 per cent in both sectors during 1994-95.

The net inflow of external resources recorded a sharp rise of 70.9 per cent during 1995-96 as compared to an increase of 25.0 per cent a year earlier. Consequently its share in financing gross total investment rose from 21.2 per cent in 1994-95 to 29.8 per cent during 1995-96.

Structure of National Savings
(At current prices)

Forms of Savings	Share in National Savings		Share in GNP	
	1994-95	1995-96	1994-95	1995-96
(A) Public Savings	13.9	18.2	2.0	2.5
(i) General Government	1.5	-2.3	0.2	-0.3
(ii) Others	12.5	20.5	1.8	2.8
(B) Private Savings	86.1	81.8	12.6	11.2
(i) Household	76.0	72.2	11.1	9.9
(ii) Corporate	10.2	9.7	1.5	1.3
(C) National Savings (A+B)	100.0	100.0	14.6	13.6
Net Factor Income	1.5	-5.3	0.2	-0.7
Domestic Savings	98.5	105.3	14.4	14.4

Note:- Totals may not tally due to rounding off.

Investment

Investment activity was revived considerably during 1995-96 with an increase of 11.6 per cent in real gross fixed investment compared with a smaller increase of 2.9 per cent in 1994-95 and a decline of 0.9 per cent in 1993-94. Two important sectors which recorded large increases in real investment were large-scale manufacturing and electricity and gas. Real investment in large-scale manufacturing, which accounted for 18.1 per cent of real gross fixed investment in 1995-96, grew by 35.6 per cent against a decline of 3.2 per cent in 1994-95. Real investment in electricity and gas sector, with a share of 20.2 per cent in real gross fixed investment, grew by 24.0 per cent in 1995-96 compared with an increase of 19.5 per cent in the preceding year. Real investment in agriculture increased by 1.3 per cent compared with an increase of 10.0 per cent in 1994-95. Real investment in mining and quarrying, and wholesale and retail trade increased by 33.2 and 9.4 per cent respectively. Real investment in construction, however, declined by 8.6 per cent.

Gross fixed investment at current prices rose by 21.5 per cent to Rs.390.0 billion during 1995-96 compared with an increase of 14.2 per cent in the preceding year. The ratio of gross fixed investment to GNP at market prices rose from 17.1 per cent in 1994-95 to 17.8 per cent during 1995-96. Private fixed investment at current prices showed a growth of 29.4 per cent to Rs.214.6 billion during 1995-96 compared with an increase of only 10.3 per cent in the preceding year.

Its share in gross fixed investment rose from 51.7 per cent in 1994-95 to 55.0 per cent during 1995-96. It rose from 8.9 per cent of GDP in 1994-95 to 9.9 per cent during 1995-96. Public sector fixed investment rose by 13.1 per cent during 1995-96 to reach Rs.175.4 billion compared to an increase of 18.8 per cent a year earlier.

Structure and Growth of Fixed Investment
(Percentage Changes and Shares at Constant Prices of 1980-81)

Sectors/Sub-sectors	Gross Fixed Investment				Public Fixed Investment				Private Fixed Investment			
	1994-95		1995-96		1994-95		1995-96		1994-95		1995-96	
Agriculture	10.0	(9.8)	1.3	(8.9)	7.0	(4.5)	13.3	(4.9)	10.9	(15.4)	-2.5	(12.5)
Mining and Quarrying	39.8	(2.6)	33.2	(3.1)	42.9	(4.7)	35.1	(6.1)	9.2	(0.4)	9.5	(0.4)
Manufacturing	-1.5	(18.3)	30.7	(21.5)	-26.8	(1.1)	48.7	(1.5)	-0.5	(36.9)	30.1	(39.9)
Large-scale	-3.2	(14.9)	35.6	(18.1)	-21.5	(1.1)	44.4	(1.5)	-2.4	(29.8)	35.3	(33.5)
Small-scale	6.5	(3.4)	9.2	(3.4)	-84.4	(0.0)	280.0	(0.1)	8.4	(7.1)	8.4	(6.4)
Construction	-22.0	(1.8)	-8.6	(1.5)	-17.7	(1.2)	6.1	(1.2)	-24.1	(2.5)	-16.2	(1.8)
Electricity and Gas	19.5	(18.1)	24.0	(20.2)	21.0	(32.9)	1.7	(32.2)	0.6	(2.3)	370.0	(8.9)
Transport and Communication	-12.2	(9.7)	1.1	(8.7)	-6.8	(14.0)	0.1	(13.5)	-25.2	(5.0)	4.1	(4.3)
Wholesale and Retail Trade	8.7	(1.1)	9.4	(1.0)	-24.4	(0.1)	61.8	(0.1)	10.3	(2.1)	7.6	(1.9)
Financial Institutions	0.6	(13.1)	0.7	(11.8)	20.6	(1.2)	-20.5	(0.9)	-0.2	(25.9)	1.7	(21.9)
Services	-0.7	(5.3)	4.8	(5.0)	-29.1	(1.5)	-5.7	(1.4)	6.5	(9.4)	6.5	(8.3)
General Government	1.3	(20.2)	1.1	(18.3)	1.3	(39.0)	1.1	(38.1)				
Total	2.9	(100.0)	11.6	(100.0)	6.2	(100.0)	3.6	(100.0)	-0.4	(100.0)	20.2	(100.0)

Note: Figures in parentheses are shares in total investment.

Source: Federal Bureau of Statistics.

III. PRICE SITUATION

Introduction

The rate of inflation as measured by the Consumer Price Index (CPI, 1990-91=100) decelerated to 10.8 per cent in 1995-96 from 13.0 per cent in the last year. Deceleration in WPI and SPI was even larger. The Sensitive Price Indicator (SPI, 1990-91=100) rose by 10.7 per cent in 1995-96 compared with 15.0 per cent last year, while Wholesale Price Index (WPI, 1980-81=100) showed a rise of 10.3 per cent compared with 16.3 per cent in the last year. GDP Deflator also recorded a lower rate of increase of 10.0 per cent as compared with 13.6 per cent in 1994-95. Deceleration was mainly attributable to recovery in real GDP growth to 6.1 per cent in 1995-96 from 4.4 per cent last year. Monetary expansion was also lower in 1995-96 as compared with the previous year. Factors which prevented further easing of inflationary pressures in 1995-96 included excessive government borrowings, a considerable depreciation of Pak. Rupee in nominal terms, increases in administered prices, more reliance on indirect taxes and raising of procurement/support prices of various crops. As a consequence, the rate of inflation of 10.8 per cent, lower as it was compared to last year, remained higher than the original target of 9.5 per cent for 1995-96.

Price Situation at a Glance (Percentage Changes)

Period	GDP Deflator	Annual Average Basis			June to June Basis		
		CPI	WPI	SPI	CPI	WPI	SPI
1991-92	10.1	10.6	9.3	10.5	15.6	7.0	17.4
1992-93	8.7	9.8	7.1	10.7	9.6	8.4	9.3
1993-94	12.9	11.3	15.0	11.8	11.8	21.5	13.9
1994-95	13.6 ^R	13.0	16.3	15.0	12.1	11.4	13.9
1995-96	10.0 ^P	10.8	10.3	10.7	10.3	10.2	8.8

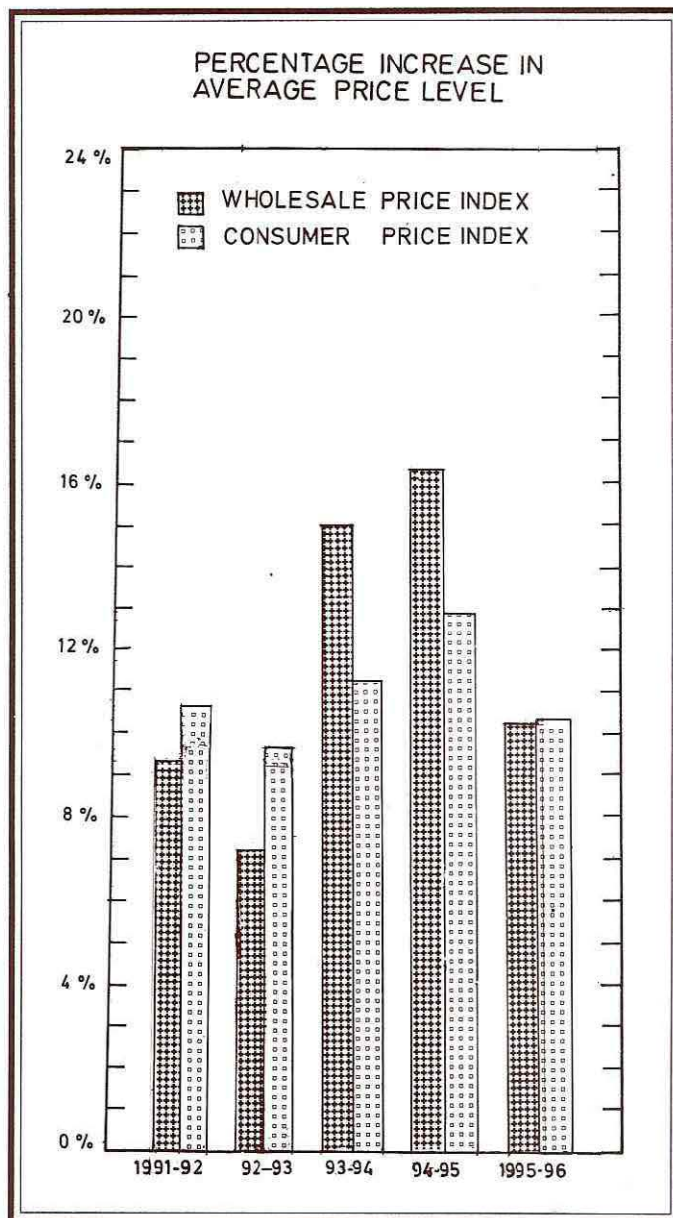
R: Revised

P: Provisional

Note: Base year for both CPI and SPI is 1990-91 and for GDP Deflator and WPI, 1980-81.

Consumer Prices

Annual average increase in Consumer Price Index (CPI, 1990-91=100) of 10.79 per cent during 1995-96 was characterised by relatively smaller increase in sub-index of 'Food, Beverages & Tobacco' than increases in five out of eight non-food sub-indices. Increase was highest in sub-index 'Recreation, Entertainment & Education' followed by 'Fuel & Lighting'



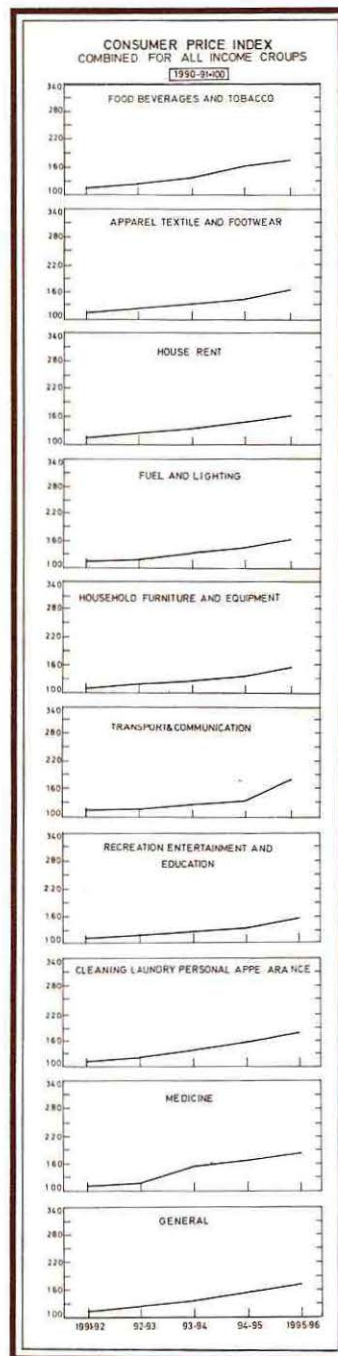
'Cleaning, Laundry & Personal Appearance', 'Household Furniture & Equipment' and 'Apparel, Textile & Footwear'. Increase in other three non-food sub-indices viz. 'Transport & Communication', 'Medicine' and 'House Rent' was lower than that of 'Food, Beverages & Tobacco'. Contribution of each non-food sub-index was greater in 1995-96 than a year before. Higher increase in non-food prices relative to food prices was partly a reflection of lower increase in industrial and services output relative to agricultural output during 1995-96. Deceleratory impact on increase in CPI from 13.02 per cent in 1994-95 to 10.79 per cent in 1995-96, which originated from food prices decelerating from 16.71 per cent in 1994-95 to 10.13 per cent in 1995-96, was also marginally supported by deceleration in increase in 'House Rent' sub-index from 10.40 per cent in 1994-95 to 9.34 per cent in 1995-96. However, the strength of deceleration was countered by acceleratory impact of other non-food sub-indices. Increase in 'Fuel & Lighting' sub-index accelerated from 6.62 per cent in 1994-95 to 14.77 per cent in 1995-96, 'Recreation, Entertainment & Education' from 7.86 per cent to 15.69 per cent,

'Transport & Communication' from 5.93 to 9.78 per cent, 'Cleaning, Laundry & Personal Appearance' from 10.44 per cent to 14.52 per cent, 'Household Furniture and Equipment' from 10.40 per cent to 13.29 per cent, 'Medicine' from 8.36 per cent to 9.55 per cent, and 'Apparel,

Textile & Footwear' from 11.55 per cent to 11.75 per cent. The deceleration of inflation brought about largely by sub-index for food due to better than targeted growth in agricultural production and timely import of some of the important food items while most of the other sub-indices recorded appreciable increases during the year suggests that underlying rate of inflation in the economy continues to be high.

Consumer Price Index was revised by the Federal Bureau of Statistics in October, 1995 on the basis of Family Budget Survey 1990-91. Revised index covers all urban areas and occupational groups including self employed, employers, and employees of government, industrial and commercial enterprises. New basket consists of 463 consumer items. Weights of five sub-indices were revised downward and those of three upward. Percentage weight of Sub-index 'Food, Beverages & Tobacco', consisting of 163 consumer items was reduced from 49.90 to 49.35, that of 'Household, Furniture & Equipment' consisting of 53 items, from 2.34 to 2.00, that of 'Transport & Communication' consisting of 43 items, from 6.20 to 5.08, that of 'Recreation, Entertainment & Education' consisting of 45 items from 3.50 to 3.12, and that of 'Cleaning, Laundry & Personal Appearance' consisting of 45 items from 5.56 to 5.40. Percentage weight of sub-index 'Apparel, Textile & Footwear' consisting of 68 items increased from 6.68 to 7.56, that of 'Fuel & Lighting' consisting of 17 items from 5.62 to 6.13, and that of 'House Rent' sub-index consisting of 5 income-wise rent indices from 17.76 to 18.98. A new sub-index 'Medicine' comprising 24 items with a percentage weight of 2.38 replaced the earlier 'Miscellaneous' sub-index which carried a weight of 2.44. Construction of occupational categories of CPI (1980-81=100) was discontinued. Income groups were expanded and rationalised for the construction of sub-indices for different categories of income for the revised CPI.

Category-wise increase in prices in the case of the lowest income group (upto Rs.1,500 per month) was 10.62 per cent during 1995-96, marginally lower than the increase in overall CPI. For the lower-middle income group (Rs.1,501 to Rs.4,000) prices increased by 10.70 per cent which was slightly lower than overall increase in CPI. However, in the case of middle income group (Rs.4,001 to Rs.7,000), upper-middle income group (Rs.7,001 to Rs.10,000) and highest income group (above Rs.10,000) average increases in prices were higher than overall increase in CPI. This was in contrast with the perverse distributional impact of inflation during 1994-95 when consumers of the lowest income group faced the highest increase in prices and those of highest income group faced the lowest increase in comparison with overall increase in CPI.



Consumer Price Index

Group-wise Contributions and Annual Average Percentage Changes

(1990-91=100)

Groups	Weights	1993-94		1994-95		1995-96	
		% Change	Contri- bution	% Change	Contri- bution	% Change	Contri- bution
General	100.00	11.27	100.00	13.02	100.00	10.79	100.00
Food, Beverages & Tobacco	49.35	11.13	49.69	16.71	64.49	10.13	48.72
Apparel, Textile & Footwear	7.56	7.40	5.01	11.55	6.53	11.75	7.92
House Rent	18.98	9.81	16.60	10.40	15.02	9.34	15.91
Fuel & Lighting	6.13	15.50	8.03	6.62	3.08	14.77	7.83
Household Furniture & Equipment	2.00	5.62	0.97	10.40	1.47	13.29	2.21
Transport & Communication	5.08	11.89	5.03	5.93	2.18	9.78	4.08
Recreation, Entertainment & Education	3.12	6.72	1.73	7.86	1.68	15.69	3.87
Cleaning, Laundry & Personal Appearance	5.40	15.06	7.05	10.44	4.37	14.52	7.17
Medicine	2.38	29.11	5.92	8.36	1.71	9.55	2.26

Consumer Price Index By Income Groups
Annual Average Percentage Changes
(1990-91=100)

Groups Based on Monthly Income	1991-92	1992-93	1993-94	1994-95	1995-96
Combined	10.58	9.83	11.27	13.02	10.79
Upto Rs.1,500	10.83	10.64	11.09	13.94	10.62
Rs.1,501 to Rs.4,000	10.63	9.97	11.26	13.32	10.70
Rs.4,001 to Rs.7,000	10.45	9.24	11.40	12.26	10.83
Rs.7,001 to Rs.10,000	10.24	8.78	11.47	11.41	11.27
Above Rs.10,000	10.06	8.67	11.32	10.79	11.82

Sensitive Prices

Sensitive Price Indicator (SPI, 1990-91=100) showed a lower average increase of 10.7 per cent during 1995-96 compared with an increase of 15.0 per cent last year. SPI was reconstructed by the Federal Bureau of Statistics (FBS), based on 46 essential commodities identified with the help of Family Budget Survey 1990-91, to show weekly price movements for employees earning wages and salaries upto Rs.1,500 per month. Among the 46 commodities covered by the indicator, the prices of 38 items registered increases in June, 1996 over June, 1995. During the same period last year prices of 41 items had increased.

Category-wise sub-indices of SPI showed that the average price increase of essential items during 1995-96 was highest for commercial employees followed by industrial and government employees respectively, in contrast with last year when the sub-indices for government employees registered the highest increase followed by industrial and commercial employees.

Sensitive Consumer Price Indicators
For Employees Earning Wages / Salaries Upto Rs 1,500 per Month
Annual Average Percent Changes
(1990-91=100)

Employee Category	1991-92	1992-93	1993-94	1994-95	1995-96
General	10.54	10.71	11.79	15.01	10.71
Industrial	10.42	10.70	11.87	14.94	10.76
Commercial	10.58	11.01	12.29	14.89	11.20
Government	10.63	10.66	11.76	15.06	10.63

Prices of Kitchen Items

Price trends of nineteen kitchen items indicated a lowering of the rate of inflation for items accounting for the level of the consumption basket of the lower income groups. Average increase in the prices of nineteen kitchen items was 13.54 per cent during 1995-96 compared with 17.15 per cent in the previous year. The maximum increase recorded during 1995-96 was 65.25 per cent in the price of potato compared with the maximum increase of 91.89 per cent in the price of red chillies last year. Decreases were registered in prices of four items during 1995-96 whereas all kitchen items had recorded increases a year before.

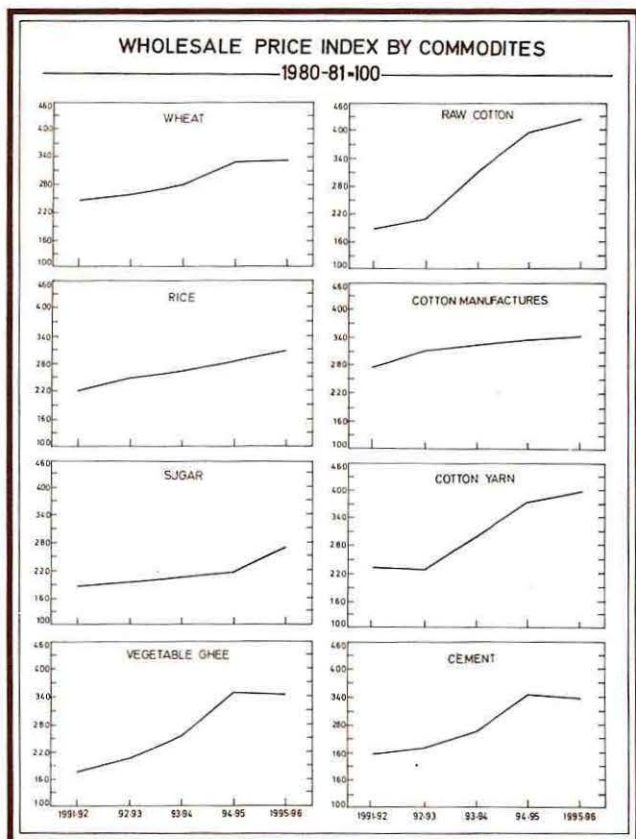
Price Trends of Kitchen Items in SPI
Annual Average Percent Changes
(1990-91 = 100)

S.No.	I t e m s	1993-94	1994-95	1995-96
1.	Potatoes	0.58	8.86	65.25
2.	Masoor Pulse (Washed)	- 8.66	1.68	38.63
3.	Mash Pulse (Washed)	- 0.29	60.55	36.98
4.	Rice IRRI-6	3.41	6.66	28.58
5.	Rice Basmati (Broken)	8.76	3.66	23.93
6.	Sugar (Open Market)	5.09	6.39	21.93
7.	Beef	9.84	14.18	16.25
8.	Red Chillies	- 5.02	91.89	14.27
9.	Mutton	16.41	16.78	12.27
10.	Milk Fresh	11.86	10.04	12.14
11.	Moong Pulse (Washed)	0.06	18.38	7.96
12.	Vegetable Ghee (Tin)	25.57	34.22	5.00
13.	Cooking Oil (Dalda)	23.66	33.57	4.84
14.	Wheat Flour (Average Quality)	11.08	17.15	2.08
15.	Wheat	11.10	18.66	1.34
16.	Gram Pulse (Washed)	47.38	30.15	- 0.47
17.	Onions	- 0.41	8.86	- 1.56
18.	Garlic	50.08	17.12	- 14.26
19.	Tomatoes	25.84	24.41	- 22.88

Wholesale Prices

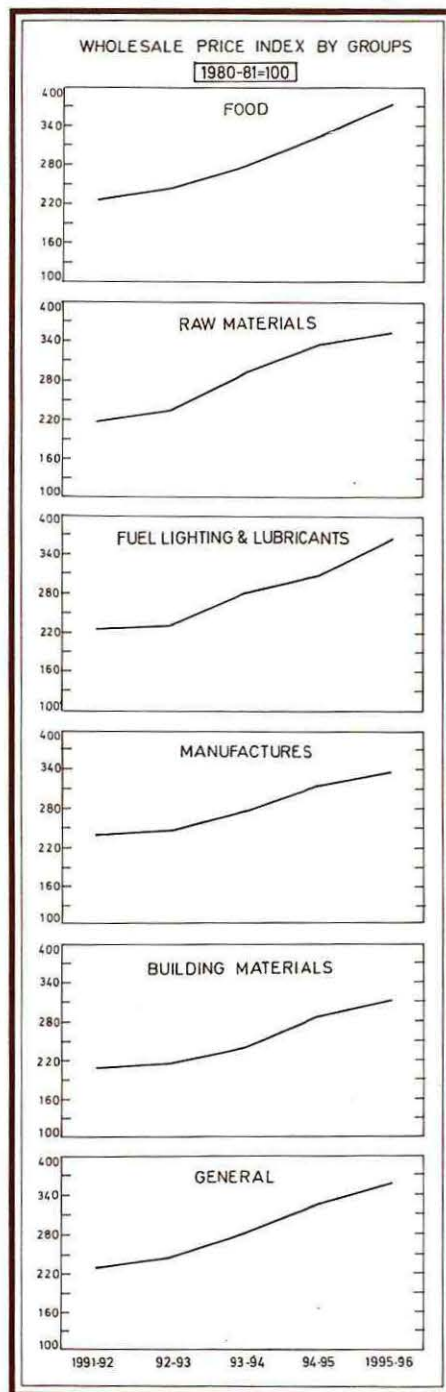
Wholesale Price Index increased by 10.33 per cent during 1995-96 compared with 16.29 per cent a year earlier. Average wholesale prices of food group rose at a higher rate than those of non-food groups except the fuel, lighting and lubricants group. This behaviour was in contrast with underlying trend of Consumer Price Index whose food sub-index exhibited smaller increase

compared with non-food sub-groups. One reason for this was that non-food items in WPI differ significantly from non-food items in CPI, specially raw materials, whose wholesale prices increased by only 4.39 per cent during 1995-96 and which are not included in CPI basket. Another possible reason was that WPI was not revised by Federal Bureau of Statistics as was done in CPI, and continued to reflect



the behaviour of wholesale prices in 1995-96 on the basis of wholesale market share determined in 1980-81.

'Food' sub-index of WPI increased by 11.12 per cent during 1995-96 compared with 18.61 per cent in 1994-95. Rate of increase in other sub-indices was also lower in 1995-96 than a year earlier except for the 'Fuel, Lighting & Lubricants' sub-index which increased by 18.71 per cent in 1995-96 compared with 9.30 per cent in 1994-95. 'Fuel, lighting & lubricants' contributed 20.35 per cent in overall increase in WPI during 1995-96 compared with 6.81 per cent last year. Within this group, electricity, natural gas, motor fuels and lubricants contributed 29.3 per cent, 29.0 per cent, 17.0 per cent and 16.5 per cent respectively.



Wholesale Price Index
Group / Item-wise Contributions and Annual Average Percent Changes
(1980-81=100)

Groups/Items	Weights	1993-94		1994-95		1995-96	
		% Change	Contri- bution	% Change	Contri- bution	% Change	Contri- bution
GENERAL	100.00	15.04	100.00	16.29	100.00	10.33	100.00
A - Food	50.63	14.09	48.59	18.61	58.76	11.12	56.48
Fresh Milk	5.59	14.33	10.47	14.72	9.87	12.20	12.73
Meat	5.16	16.11	6.35	16.69	6.13	12.45	7.23
Ghee Desi	3.90	13.39	3.18	26.87	5.80	17.66	6.57
Rice	3.27	6.91	1.51	7.97	1.50	18.22	5.02
Gur	1.40	-2.71	-0.24	7.72	0.52	46.45	4.60
Sugar Refined	2.20	4.51	0.57	6.73	0.66	23.89	3.40
Other 30 items	25.11		26.78		34.28		16.93
B - Raw Materials	8.97	24.57	14.15	15.92	9.17	4.39	3.97
Sugarcane	2.46	4.71	0.61	6.92	0.76	9.91	1.58
Cotton Seed	1.03	34.67	1.98	3.01	0.19	6.26	0.54
Skins	0.57	11.82	0.92	6.51	0.46	4.61	0.47
Cotton	3.46	50.87	9.86	26.59	6.24	1.13	0.46
Other 6 items	1.45		0.78		1.53		0.93
C - Fuel, Lighting & Lubricants	11.79	22.46	16.77	9.30	6.82	18.71	20.35
Electricity	1.54	34.20	4.38	25.02	3.45	25.43	5.95
Natural Gas	1.42	13.75	2.73	11.38	2.06	21.58	5.91
Motor Fuels	4.70	19.38	4.36	1.19	0.26	11.71	3.46
Lubricants	1.08	73.81	3.68	13.29	0.92	31.39	3.35
Other 4 items	3.05		1.62		0.12		1.68
D - Manufactures	24.06	10.73	17.34	14.46	20.76	7.13	15.88
Fertilizers	2.46	19.80	3.72	27.25	4.92	20.27	6.32
Cotton Yarn	3.70	31.98	7.29	25.88	6.24	6.55	2.70
Transport	2.31	8.81	1.42	24.01	3.37	10.71	2.53
Other 20 items	15.59		4.91		6.22		4.33
E - Building Materials	4.55	11.76	3.13	19.82	4.73	8.96	3.47
Iron Bars & Sheets	1.81	9.70	1.00	20.73	1.87	18.03	2.67
Timber	0.49	13.89	0.43	8.64	0.25	14.59	0.62
Other 6 items	2.25		1.70		2.61		0.19

Price Stabilization Measures

With a view to providing relief to consumers a number of policy measures were initiated during the year. Economic Coordination Committee (ECC) of the Cabinet in July, 1995 decided to waive of 10 per cent import duty on sugar to dampen rise in its prices. Other measures included withdrawal of 10 per cent regulatory duty on the import of potatoes and its seeds effective from October, 1995, permitting the private sector to import meat and milk powder from Central Asian States thereby help stabilising the prices of these items, and directing the Ministry of Commerce in November, 1995 to import 2,000 tonnes of potatoes. Besides these steps, the network of Utility Stores Corporation (USC) was expanded. Through its 911 outlets the Corporation sold vegetable ghee (manufactured by the Ghee Corporation of Pakistan) and sugar at lower than market prices. It also made special arrangements for sale of many essential commodities at reduced prices during the month of Ramzan. The ECC of the Cabinet decided in January, 1996 to set up a special committee to monitor the price behaviour of essential kitchen items and to sound early warning about their supply position. To augment the domestic stocks of essential food items Trading Corporation of Pakistan (TCP) imported 83,000 tonnes of white grams, 5,000 tonnes of masoor pulse and 2,300 tonnes of mash pulse during the year. In June, 1996 domestic prices of petroleum products were linked with international market prices triggering adjustment eitherway with a change in international prices of 3 per cent or more. On 12th June, 1996 the government reduced the prices of petroleum products in the range of 1-8 per cent.

IV. PUBLIC FINANCE AND FISCAL POLICY

Introduction

This chapter attempts to give an overview of developments in the public finances in 1995-96 and the targets and estimates for 1996-97, followed by separate reviews of the Federal and Provincial budgets in the two years. Appendix I gives details of budgetary measures adopted in the original budget and in October, 1995. Appendix II provides details of the fiscal measures adopted in the budget for 1996-97.

Consolidated Budget for 1995-96

The consolidated budget of the Federal and Provincial Governments for 1995-96 targeted a total expenditure of Rs.495.0 billion: Rs.398.5 billion on current expenditure and Rs.96.5 billion on development expenditure, to be financed from tax revenue (Rs.299.3 billion), non-tax receipts (Rs.75.2 billion) and financing of social action programme from privatisation proceeds (Rs.12.0 billion). The budget deficit of Rs.108.5 billion (equivalent to 5.0% of GDP) was expected to be met from external borrowings (Rs.17.7 billion) and from internal borrowings (Rs.90.8 billion). Bank borrowings, as a part of internal borrowings, was targeted at Rs.29.7 billion.

The budget for 1995-96 provided for a reduction in the budget deficit to 5.0 per cent of GDP as compared to 5.6 per cent in 1994-95. In order to achieve the reduced target of budget deficit and to strengthen the public finance a number of structural improvements as well as measures to mobilise additional resources were introduced. Additional tax measures were expected to yield a revenue of Rs.16.56 billion. More specifically, the revenue yielding and structural measure included: simplification and streamlining of tax procedures, improving voluntary compliance, broadening the tax base and phasing out time-bound tax exemptions. Certain sources of income which remained untaxed like bearer certificates were brought under withholding tax regime. The rate of withholding tax on imported goods was raised from 2 per cent to 4 per cent, on contractors from 3 per cent to 5 per cent and on non-resident contractors from 7 per cent to 8 per cent for turnkey projects and from 5 per cent to 6 per cent for other types of contracts. The corporate tax rates were reduced to 60 per cent for banking companies, 36 per cent for public companies and 46 per cent for other companies. Maximum rate of customs duty was reduced from 70 per cent to 65 per cent and tariff restructuring on certain key economic sectors was carried out. The rate of sales tax on certain imported raw materials was enhanced from 15 per cent to 20 per cent and for promoting documentation of the economy, the registration of all

ratio at 17.2 per cent, was lower than 17.9 per cent targeted in the revised budget. Tax revenue amounted to Rs.305.3 billion as against Rs. 316.6 billion in the budget. Non-tax receipts at Rs.67.9 billion were Rs.4.6 billion lower than the budget estimates. As compared to end October, 1995 target, revenue receipts were lower by Rs. 15.9 billion or 4.1 per cent and tax revenue by Rs.11.3 billion or 3.6 per cent. The tax/GDP ratio at 14.0 per cent was lower than 14.6 per cent in end October, 1995 target inspite of net additional taxation of Rs.20.9 billion in 1995-96 which reflect poor buoyancy of the taxes.

Total expenditure during 1995-96, amounting to Rs. 511.1 billion, was higher by Rs.11.1 billion compared to the revised estimates and by Rs. 82.8 billion or 19.3 per cent over provisional actuals of 1994-95. Its ratio to GDP increased from 23.0 per cent in the revised estimates to 23.5 per cent in the estimated actuals. This increase in total expenditure in 1995-96 was attributable to higher current expenditure at Rs. 416.8 billion compared to revised estimates of Rs. 405.3 billion. This was due mainly to 2.5 per cent increase in interest payments and 6.5 per cent increase on running of civil administration. However, the development expenditure at Rs. 94.2 billion in 1995-96 was marginally lower by Rs.0.5 billion over the revised estimates. An increase of Rs. 11.5 billion in current expenditure over revised estimates was partly financed from slashing development expenditure as well as from borrowings. Thus, while current expenditure at 19.2 per cent of GDP exceeded the budget estimates of 18.6 per cent, development expenditure declined to 4.3 per cent of GDP as against a target of 4.4 per cent. The slippages in current expenditure coupled with lower revenue receipts over end October, 1995 target resulted in higher budget deficit of Rs. 125.9 billion equivalent to 5.8 per cent of GDP as against 4.6 per cent in the end October, 1995 estimates.

Consolidated Budget for 1996-97

The consolidated budget for 1996-97 envisages a budget deficit of Rs.100.9 billion equivalent to 4.0% of GDP. This improvement in deficit / GDP ratio is expected to come mainly from an increase of 21.6% in revenue receipts. In order to achieve this target, the Government has introduced a number of measures directed at expanding the domestic tax base and improving revenue collection, reducing current expenditure in areas of low priority and enhancing productive/development expenditure. Additional tax measures are expected to yield a revenue of Rs.40.8 billion which would improve the tax/GDP ratio to 14.9 per cent in 1996-97 as compared to 14.0 per cent in 1995-96. The taxation measures introduced in the 1996-97 budget aim at raising adequate revenues through removing various exemptions and making the tax system more elastic to economic growth. The scope of sales tax has been broadened including increase in rates. The reduction in customs tariff rate has been postponed in order to achieve reduced budget deficit target. Different administrative steps have been put in place to curb tax evasion. The rates of excise duty on certain items have been rationalized to remove anomalies and distortions in the system as also to provide equity and protection to the local industry. The valuation of agricultural land for wealth tax purpose has been increased from Rs.250 per Produce Index Unit (PIU) to Rs.400. A minimum wealth tax has been levied on owners of houses or plots who are not borne on wealth tax rolls.

**Table-IV.1: Summary of Public Finance
Consolidated Federal and Provincial Governments**

(Rs. in Billion)

HEADS	1994-95	1995-96			1996-97
	P.A.	Original Budget	Revised Oct., 1995	Estimated Actuals	(Budget)
	(1)	(2)	(3)	(4)	(5)
1. Revenue Receipts (a+b)	317.9	374.5	389.1	373.2	453.9
(a) Tax Revenue	257.9	299.3	316.6	305.3	376.9
(b) Non-Tax Receipts	60.0	75.2	72.5	67.9	77.0
2. Financing for S.A.P.	5.0	12.0	12.0	12.0	14.0
3. Total Resources (1+2)	322.9	386.5	401.1	385.2	467.9
4. Total Expenditure (i+ii)	428.3	495.0	500.0	511.1	568.8
(i) Current	345.9	398.5	405.3	416.8	464.1
(ii) Development	82.3	96.5	94.7	94.2	104.8
5. Revenue Surplus/Deficit (1-i)	-28.0	-24.0	-16.2	-43.6	-10.2
6. Overall Deficit (3-4)	-105.4	-108.5	-98.9	-125.9	-100.9
7. Financing Through:	105.4	108.5	98.9	125.9	100.9
(a) External Resources (Net)	29.3	17.7	19.6	25.8	17.8
(b) Internal Resources (i+ii)	76.0	90.8	79.3	100.1	83.1
(i) Domestic Non-Bank	49.9	61.1	51.3	46.5	63.1
(ii) Banking System	26.1*	29.7	28.1	53.6	20.0

AS PER CENT OF GDP

1. Revenue Receipts (a+b)	17.0	17.2	17.9	17.2	18.0
(a) Tax Revenue	13.8	13.8	14.6	14.0	14.9
(b) Non-Tax Receipts	3.2	3.5	3.3	3.1	3.0
2. Financing for S.A.P.	0.3	0.6	0.6	0.6	0.6
3. Total Resources (1+2)	17.3	17.8	18.5	17.7	18.5
4. Total Expenditure (i+ii)	23.0	22.8	23.0	23.5	22.5
(i) Current	18.5	18.3	18.6	19.2	18.4
(ii) Development	4.4	4.4	4.4	4.3	4.1
5. Revenue Surplus/Deficit (1-i)	-1.5	-1.1	-0.7	-2.0	-0.4
6. Overall Deficit (3-4)	-5.6	-5.0	-4.6	-5.8	-4.0
7. Financing Through:	5.6	5.0	4.6	5.8	4.0
(a) External Resources (Net)	1.6	0.8	0.9	1.2	0.7
(b) Internal Resources (i+ii)	4.1	4.2	3.6	4.6	3.3
(i) Domestic Non-Bank	2.7	2.8	2.4	2.1	2.5
(ii) Banking System	1.4	1.4	1.3	2.5	0.8

P.A. = Provisional Actuals.

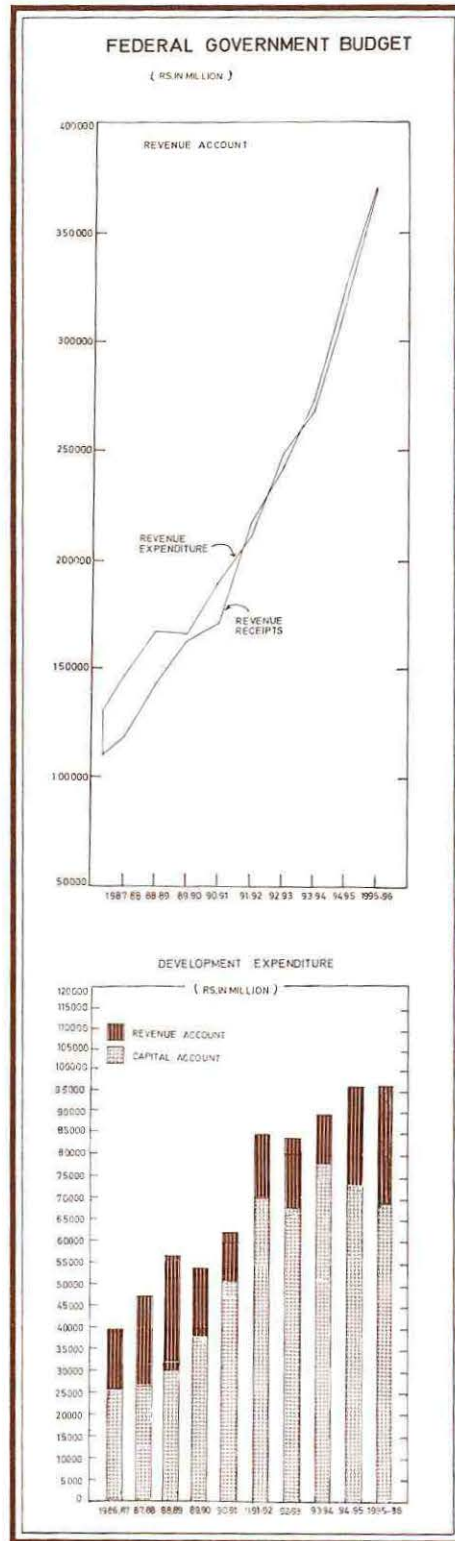
* = Including drawings from privatization proceeds. Net bank financing is Rs.25 billion.

Federal Budget for 1995-96 Revised Estimates

As per revised estimates for 1995-96, the gross revenue receipts of the Federal Government were placed at Rs. 381.9 billion as against the targets of Rs.382.6 billion showing a shortfall of Rs.0.7 billion. This nominal decline was the net result of a shortfall of Rs.8.3 billion in tax revenue (comprising direct and indirect taxes) as compared to the budget targets of Rs.270.8 billion, and a rise in non-tax receipts and surcharges of Rs.7.6 billion more than the budget estimates of Rs.111.8 billion.

In the case of indirect taxes, receipts were lower than targets from all the three principal taxes viz. sales tax, customs duties and federal excise duties. The short-fall in sales tax was due to lower realisation from locally produced items. The decline in customs duties was due to tariff restructuring and liberal concessions granted to engineering goods industry, textile industry and on machinery for power generating units. The main reason for short-fall in Federal excise was post-budget exemptions given by the government as well as decline in sugar production. These factors resulted in lower collection of duty on cigarettes, natural gas and sugar. Among the components of direct taxes, income tax recorded a decline of Rs. 1.0 billion over the budget estimates. The increase in non-tax receipts was entirely on account of miscellaneous receipts while income from property and enterprises and receipts from civil administration declined by Rs. 5.1 billion over the budget estimates. The surcharges on petroleum products and natural gas were higher by Rs.2.3 billion and Rs.1.1 billion respectively.

Compared with the provisional actuals for 1994-95, tax revenue showed an increase of Rs. 36.0 billion or 15.9 per cent while non-tax receipts rose by Rs. 20.2 billion or 27.3 per cent. Transfer of revenues to Provinces, as per revised estimates for 1995-96, stood at Rs. 121.3 billion. The ratio of revenues transferred to Provinces to total taxes and surcharges stood at 42.2



compared with 39.5 in the preceding year. Net revenue receipts thus stood at Rs.260.6 billion in the revised estimates for 1995-96 showing a fall of Rs. 5.3 billion or 2.0 per cent over the budget estimates.

Expenditure

The aggregate expenditure on revenue and capital accounts amounting to Rs. 490.3 billion in the revised estimates for 1995-96 was higher by Rs. 10.7 billion over the budget estimates. As compared with the provisional actuals of 1994-95, the aggregate expenditure recorded an increase of Rs. 68.6 billion. The current expenditure in the revised estimates at Rs. 353.2 billion recorded an increase of Rs.15.0 billion as against Rs. 338.2 billion provided in the budget estimates. The main reason for increase in current expenditure during 1995-96 was higher expenditure on debt servicing and subsidies. Higher debt servicing can be attributed to increasing resort to borrowing over the years which led to continuous growth in nominal stock of government debt. Internal liabilities registered an increase from 43.6% of GDP in 1990-91 to 44.9% in 1992-93 and thereafter gradually declining over the years. Debt servicing as a percentage of total Federal revenues increased from 36.9% in 1990-91 to 43.1% in 1995-96, of total expenditure from 24.1% to 33.6% and that of GDP from 6.2% to 7.6%. Debt servicing rose by Rs.7.3 billion to Rs. 164.6 billion and subsidies by Rs.6.9 billion to Rs. 10.4 billion over the budget estimates of the year. In the revised estimates, subsidy on food items was increased from Rs.0.6 billion in the budget estimates to Rs.7.5 billion. Interest on domestic and foreign debt stood higher at Rs.97.8 billion and Rs.26.8 billion respectively as against Rs.96.2 billion and Rs.25.0 billion in the budget estimates. Estimated expenditure on running civil government was Rs.43.9 billion as compared to budget estimates of Rs.39.8 billion. The defence expenditure at Rs 115.3 billion was on the target.

The aggregate expenditure of Rs. 490.3 billion of the Federal Government in the revised estimates for 1995-96 was financed from net revenue receipts (Rs.260.6 billion), contributions for Social Action Programme from Privatisation Fund (Rs. 12.0 billion), internal and external capital receipts (Rs. 72.5 billion and Rs. 110.1 billion, respectively) and expected cash build-up(Rs. 4.6 billion). As per revised estimates, the financing of the gap between receipts and expenditure through the banking system was placed at Rs.30.5 billion (Rs.53.6 billion as per monetary data).

Provincial Budgets for 1995-96 Revised Estimates

The combined total revenue receipts of the Provinces stood at Rs. 152.4 billion in the revised estimates for 1995-96 showing an increase of Rs. 26.6 billion or 21.2 per cent over the provisional actuals of the preceding year. Federal tax assignments showed a rise of Rs. 23.6 billion or 24.1 per cent over the provisional actuals of 1994-95. Provincial tax receipts recorded a rise of Rs. 2.1 billion over the provisional actuals of the previous year.

The revised estimates for 1995-96 placed combined provincial current revenue expenditure at Rs. 141.9 billion, an increase of Rs. 26.1 billion over the provisional actuals of 1994-95. The

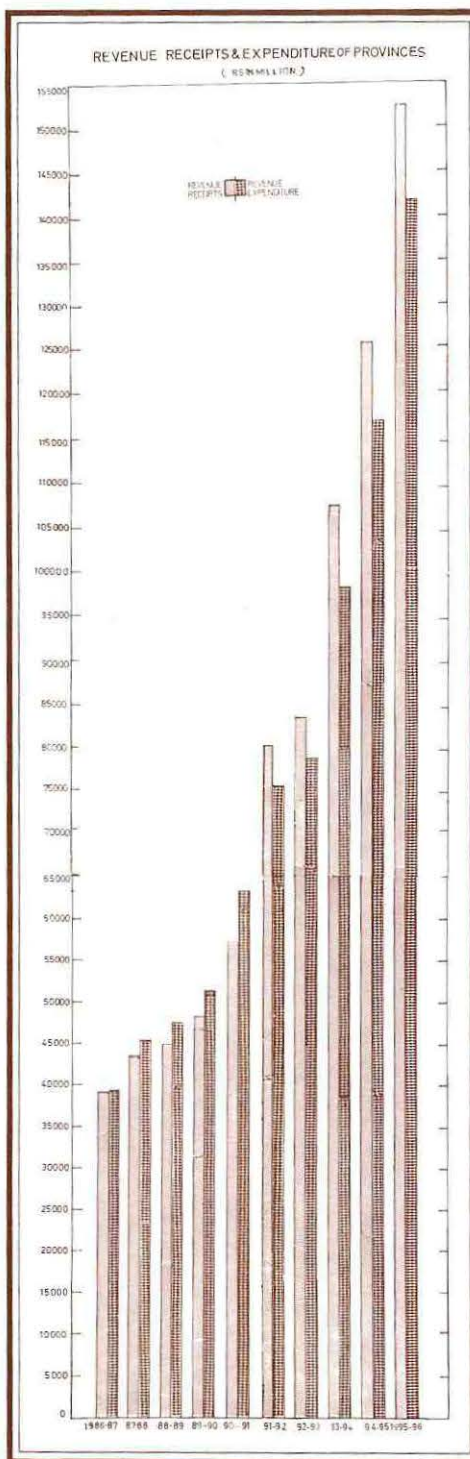
net effect of larger increase in total revenue receipts than in current expenditure was a larger revenue surplus of Rs. 10.5 billion in the revised estimates for 1995-96 compared to a revenue surplus of Rs. 9.9 billion recorded in the provisional actuals of 1994-95.

Total Provincial development expenditure, as per revised estimates for 1995-96, was Rs. 34.0 billion as against Rs. 31.4 billion in the provisional actuals for 1994-95. Development expenditure under revenue account was higher by Rs. 0.6 billion or 5.9 per cent to Rs. 11.5 billion over the provisional actuals of 1994-95. Development expenditure on capital account at Rs. 23.0 billion was also higher by Rs. 2.0 billion or 9.6 per cent over the provisional actuals of 1994-95. The details of the combined provincial receipts and expenditure are given in Annexure 4.4.

The combined development expenditure of Rs.34.0 billion of the provincial governments in the revised estimates for 1995-96 was financed from their revenue surplus (Rs. 10.5 billion), Federal Government loans (Rs. 12.5 billion), development revenue receipts (Rs. 11.4 billion) and net public account receipts (Rs. 5.8 billion). The capital account showed a repayment of Rs. 4.1 billion. The overall effect of these budgetary transactions was a cash balance improvement of Rs. 1.5 billion in the revised estimates.

Budget Estimates for 1996-97 (Federal)

The gross revenue receipts of the Federal Government are estimated at Rs. 413.2 billion, showing an increase of 8.2 per cent over the revised estimates of 1995-96. After incorporating the net impact of new budgetary measures amounting to Rs. 40.8 billion, the revenues are expected to increase by 18.9 per cent over the revised estimates of the preceding year. The improvement is anticipated under tax revenue and surcharges. The tax revenues at Rs.337.3 billion are estimated to be higher by Rs. 74.8 billion (3.0 per cent of GDP) over revised estimates of 1995-96. Among tax heads, direct taxes are expected to rise by 18.1 per cent . Among the components of direct taxes, income tax is expected to increase by Rs. 13.6 billion, capital value



tax by Rs. 0.7 billion and wealth tax by Rs. 0.5 billion. Increase of 31.6 per cent equivalent to Rs. 59.1 billion in projected collections in indirect taxes are shared by sales tax (+Rs.32.5 billion), customs duties (+Rs.18.7 billion) and federal excise (+Rs. 8.0 billion). The share of indirect taxes in the total tax revenue is estimated to rise to 73.1 per cent of total taxes. The surcharges are expected to increase by 4.8 per cent to Rs. 26.3 billion entirely due to petroleum surcharges. Transfers from revenue receipts to Provinces are placed at Rs. 133.2 billion showing an increase of 9.8 per cent over 1995-96 revised estimates. The aggregate expenditure of the Federal Government amounting to Rs. 558.0 billion on revenue and capital accounts is higher by Rs. 67.7 billion or 13.8 per cent over the revised estimates of 1995-96. The rate of increase of 13.8 per cent in total expenditure is projected lower than an increase of 18.9 per cent in revenues. Revenue expenditure is projected at Rs. 419.4 billion (75.2 per cent of total expenditure) and capital expenditure at Rs.138.6 billion (24.8 per cent of total). The availability of internal and external resources is estimated as follows: revenue receipts(net) (Rs.320.9 billion), internal borrowing (Rs. 63.7 billion), recoveries of loans and advances (Rs. 14.5 billion), utilisation of Privatisation Funds for Social Action Programme (Rs. 14.0 billion), external borrowing (Rs. 124.9 billion) and use of cash balances (Rs.20.0 billion).

APPENDIX-I

Fiscal Measures Introduced in Federal Budget for 1995-96

Direct Taxes:

I. Income Tax

1. The income tax exemption limit was raised for non-salaried person from Rs.30,000 to Rs.40,000 and for salaried person from Rs.40,000 to Rs.50,000. For working women the limit was raised from Rs.45,000 to Rs.55,000.
2. A broad based self assessment scheme was introduced. The new scheme was applied to all non-corporate tax payers including those filing tax returns for the first time irrespective of any limit on the declared income. The scheme will run for three years and those tax payers who paid 20% more tax in 1995-96 were entitled to avail this scheme for the next two years.
3. The scope of the Income Tax Settlement Commission was enlarged by reducing the limit of Rs.50,000 to Rs.25,000 for hearing of tax concealment cases. The scope of the commission was extended to handle wealth tax cases as well.
4. It was decided to abolish the approval requirement for tax exemption on foreign earned income like royalties, commission and fees etc.
5. The exemption in respect of initial depreciation which ended on 30th June, 1995 was extended for another five years. It was also decided to grant accelerated depreciation facility to new engineering goods industries at the rate of 25% in the first year and additional depreciation of 25% in the second year to be followed by normal depreciation in subsequent years.
6. Withholding tax at the rate of 2% of the value of bearer certificates at the time of encashment of such certificates was levied. However, FEBCs would be charged to tax at the rate of 1% only at the time of encashment. This tax would be applicable to new issues on or after 15th June, 1995.
7. Effective from July, 1995 all limited companies became withholding agents of the government and were required to withhold tax on payments for execution of contracts, supply of goods and services rendered.
8. The rate of withholding tax on contractors was enhanced from 3% to 5%. It was also decided to increase the withholding tax on non-resident contractors from 7% to 8% for turn key projects and from 5% to 6% for other types of contracts. The contracts for execution of hydel power projects would be taxed at the concessional rate of 5% which would be treated as full and final liability.
9. The rate of withholding tax on imported goods was increased from 2% to 4%.
10. The bonus shares or the bonus issued on or after 1st July, 1995 were taxed at the rate of 15% of such amount for private companies and 10% for public companies.
11. The application of provisions of withholding tax on interest or profit was made restricted to only those interest or profit which is payable on accounts and deposits maintained with banks and financial institutions.
12. The corporate tax rates were reduced to 60% for banking companies, 36% for public companies other than the banking companies and 46% for other companies.
13. The rate of wealth tax on agricultural land was increased from Rs.200 per Produce Index Unit (PIU) to Rs.250 per Produce Index Unit (PIU).

Indirect Taxes:

II. Customs

1. The maximum rate of duty in the tariff was brought down by 5% i.e. from 70% to 65% ad valorem.
2. In order to restore good health to textile industry, the duty on PTA was reduced from 25% to 15%, on polyester chips, from 30% to 20%, on polyester staple fiber from 30% to 20% and on a caprolactum from 25% to 15%. Similarly, duties on man made yarns and thread were reduced from Rs.30 per kg. plus 25% to 25%, when not locally produced, and to 35%, when locally produced.
3. In order to promote the Engineering sector, it was decided to reduce the tariff structure on auxiliary inputs of Engineering Goods Industry such as machine tools, hand tools, cutting tools, testing equipment, moulds and dies etc. from the range of 25-45% to the range of 10-25% ad valorem. Duties on a large number of inputs for electronic industry were also reduced from 25% to 10% ad valorem.
4. A concessional rate of duty of 22% on CKD kits of passenger cars was allowed to continue for another year. CKD kits for diesel cars were also entitled to this concession. Duties on CKD kits for two wheelers, three wheelers and commercial vehicles were also reduced from 25-30% to 20% ad valorem.
5. It was decided to reduce tariff structure on machinery from the existing range of 15 - 70% to the range of 10-45% ad valorem. However, bulk of machinery items would attract not more than 20% duty.
6. In order to give boost to population welfare programme, it was decided to do away with the 15% customs duty on contraceptives.
7. A concessionary rate of 10% duty allowed for the import of machinery used in production of the raw materials for the stuffed toys industry would also attract zero rate if imported for manufacture in bond.
8. Male passengers returning from abroad after a stay of less than six months were allowed a duty free allowance of Rs.5,000. Female passengers were also allowed to bring personal jewellery worth Rs.25,000 duty free. Male passengers returning after a stay of more than six months were allowed a duty free allowance of Rs.10,000 while female passengers were entitled to bring personal jewellery worth Rs.50,000 duty free.
9. Duty on bus and truck tyres was reduced to 15% and sales tax withdrawn.

III. Central Excise

1. In order to reduce inequity of tax structure, the rate of sales tax was reduced from 15 to 10% for the industries enjoying sales tax exemption. On the other hand, a 5% excise duty was levied or existing excise rate was enhanced by 5%.
2. The rate of excise duty for lower brand of cigarettes was reduced from Rs.1.80 to Rs.1.17 per 10 cigarettes where retail price does not exceed Rs.2.52. In case of soaps, detergents, cosmetics etc. the excise duty was reduced from 12.5% to 10% of retail price. A corresponding excise duty of 10% ad valorem was imposed on import of soaps, detergents and cosmetics.

3. The excise duty on sugar was reduced by Rs.50 per ton.
4. In order to expand tax base, it was decided that town planners and builders, and chartered accountants would be subject to 10% excise duty while advertising agents and travel agents would pay excise duty at the rate of 5% of their commission.
5. The excise duty on ingot and billet was reduced from 15% to 10% ad valorem. Excise duty at the rate of 5% ad valorem was also levied on ship plate. The customs duty on shredded and bundled scrap was increased and equated with duty on ships for breaking i.e. Rs.1,375 per tonne plus 25% ad valorem.
6. The rate of duty on hotels was enhanced from 10% to 12% while the duty on resort hotels was raised from 5% to 6%.
7. The excise duty on bank cheques was raised from Rs.1 to Rs.2 per cheque.

IV. Sales Tax

1. The rate of sales tax on local or imported raw materials used in the production of paints, soaps, detergents, laminates, plastics, foundry products and steel pipes was enhanced from 15% to 20%. However, the sales tax at the stage of final sale would continue to be 15% of the value and manufacturers would get full tax credit for the tax already paid at the stage of import and local manufacture.
2. To promote documentation of the economy, the registration of all importers with the sales tax authorities was made compulsory for the purpose of issuing tax invoice to buyers of imported raw materials and components.
3. Sales tax exemptions on pig iron produced by Pakistan Steel Mills and on the import of goods through the Karakoram Highway were withdrawn.
4. The limit of sales tax exemption on foot wear was enhanced from Rs.300 to Rs.345 per pair.

October, 1995 Measures

The Government implemented a reform package on 28th October, 1995 which included the following measures:

- (i) a 7 per cent devaluation of the rupee in dollar term,
- (ii) a 7 per cent increase in petroleum prices,
- (iii) a 5 per cent minimum import duty on all previously exempted imports (except wheat, fertilizer, pulses, newsprint, and equipment for power plants upto 3,000 MW capacity),
- (iv) a 10 per cent regulatory duty on imports,
- (v) a Rs.5 billion reduction in budgetary outlays for noncore development programmes and transfers to local bodies,
- (vi) one percentage point increase in the State Bank's repo rate and commercial banks' rate charged on specialized credit schemes (except export finance) to 16.5 per cent and 14 per cent, respectively.

APPENDIX - II

Fiscal Measures Introduced in 1996-97 Budget

Direct Taxes

1. The advance income tax on house rent exceeding Rs.100,000 per annum has been increased from 5 per cent to 7.5 per cent.
2. An adjustable advance tax of 10 per cent has been levied on mobile telephone bills. Octrio and toll contractors will be subjected to 5 per cent advance tax.
3. The system of tax holidays for industry has been discontinued and replaced with a tax credit scheme. Those who qualify for tax holidays, by the terminal date, would be protected.
4. Certain incomes, including casual income and those of expatriates which were previously exempted from tax have been subjected to income tax. Tax exemption available to corporate employees in respect of free passage, entertainment and provision of cars for private use has been withdrawn.
5. Non-resident contractors, manufacturers and importers-cum-suppliers have been excluded from the system of presumptive taxation. They will, however, have the right to opt for the system voluntarily.
6. The income ceiling for eligibility for 25 per cent rebate in tax for senior citizens, presently upto Rs.100,000, has been increased to Rs.200,000.
7. It has been decided to reduce appeal fees to a reasonable level and to do away with the requirement of mandatory payment. Penalties for default in filing of returns have been considerably reduced, with a cap at 50 per cent of the assessed tax.
8. The valuation of agricultural land has been increased from Rs.250 per Produce Index Unit to Rs.400.
9. Wealth tax exemption has been restricted to only one house irrespective of number of holdings.
10. A minimum wealth tax has been levied ranging from Rs.2,000 to Rs.10,000 on all owners of houses or plots who are not borne on wealth tax rolls.
11. In order to encourage better compliance of wealth tax, it has been decided that those tax payers who come out with correct declaration of their wealth, will not be subjected to any additional tax, penalty or prosecution proceedings in respect of wealth tax liability for earlier years.
12. It has been decided to do away with the concept of joint assessment in the form of an association of persons. All individuals will be assessed to tax in their own hands in respect of their ownership in joint property.
13. Capital value tax has been extended to purchase of larger agricultural lands, bigger flats and foreign air travel.

Indirect Taxes

Customs

1. The abolition of 10% regulatory duty and reduction in maximum tariff rate from 65% to 55% has been postponed.
2. Import duty on export oriented machinery has been reduced to 10% on specialized textile machinery including jacquard, dobbys, embroidery, lamination, flocking and coating equipment for preparing

special flame retardant fabrics etc. The rate of duties on printing blankets, designs and patterns for textile has been brought down to 10% customs duty.

3. To encourage the plastic industry, duty on its primary raw material like ethylene, propylene has been reduced. In the case of ortho, meta and para xylenes duty has been reduced to 5%. Duty on pulp required for the manufacturing paper has been reduced from 35% to 10%.
4. In order to protect environment and save the forests, duty on various varieties of timber (wood) has been reduced to 10%. Duty on heart pace maker, artificial limbs and other essential requirements of the disabled has also been reduced to 10%.
5. Rate of duty on the import of ships has been reduced from 45% to 10%.
6. Form-A has been done away with and replaced by Shopping Cards system with additional free allowances of Rs.5,000 and Rs. 10,000 for those who stay less or more than six months respectively, for purchases from duty free shops.
7. Duty rate on imported bus/truck tyres has been reduced from 15% to 10%.
8. In order to protect local industry manufacturing battery separators, it has been decided to levy 10% central excise duty on imported battery separators.
9. It has been decided to constitute a Settlement Commission for Indirect Taxes viz. Customs, Central Excise and Sales Tax on the pattern of Income Tax Settlement Commission.

Central Excise

1. The excise duty on domestic telephone calls has been increased from 35% to 40%. This rate of duty has also been levied on line rent, international calls and mobile phone service.
2. Duty on cement has been raised from 25% of the retail price to 35% of the retail price.
3. To provide equity and protection to the local industry, excise duty has been levied on certain imported goods, like arms & ammunitions, beverages, cigarettes, etc.
4. It has been decided to withdraw 5% excise duty of locally manufactured tyres and tubes for buses and trucks.

Sales Tax

1. The standard rate of sales tax has been increased from 15% to 18%. The rate of 20% has also been raised to 23%. However, goods of every day use have been taxed at the concessional rate of 5%.
2. Sales tax exemptions at import and manufacturing stages have been withdrawn except on some significant items like sugar, edible oil/ghee, POL products, un-processed food stuff and agriculture products.
3. Goods of essential nature such as medicines and raw materials for fertilizer have been subjected to tax at a lower rate of 5%.

V. MONEY, BANKING AND MONETARY POLICY

Introduction

This chapter is intended to give a review of monetary and credit developments in 1995-96, the stance of credit policy pursued in 1995-96, the level and structure of lending and deposit rates, growth and distribution of credit and deposits, and major institutional and other developments in the banking sector.

Credit Plan and Monetary and Credit Developments in 1995-96: An Overview

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The original Credit Plan for 1995-96 had programmed domestic credit expansion at 15.0 per cent (Rs.114.2 billion), draw-down of net foreign assets in the amount of Rs.13.7 billion, and accordingly the growth in monetary expansion at 13.0 per cent (Rs.100.5 billion) compared with an actual expansion of 16.6 per cent in 1994-95. Credit to Public Sector was estimated to increase by Rs.50.0 billion—Rs.47.0 billion through Government sector and Rs.3.0 billion through autonomous bodies. Within Government sector, credit for budgetary support was to grow by Rs.30.0 billion and that for commodity operations by Rs.5.0 billion. In addition, Pakistan Telecommunication Corporation (PTC) sale proceeds were to be used in the amount of Rs.12.0 billion. Credit to private sector including public sector commercial enterprises (PSCEs) was estimated to grow by Rs.64.2 billion.

As a part of the stabilisation programme implemented in October-November, 1995, the State Bank's Repo rate and the rate charged by banks on specialised credit schemes was raised by one percentage point. To reinforce these measures, the Credit Plan was also revised. Monetary expansion was fixed lower at 12.1 per cent. The projected deceleration in monetary expansion was to be achieved through lower domestic credit expansion viz. 14.3 per cent and larger draw-down of net foreign assets of the banking system viz. (-) Rs.15.2 billion. Lower domestic credit expansion was partly to be accounted for by lower Government borrowing for budgetary support at Rs.28.1 billion.

The actual outcome during 1995-96, however, turned out to be different from the revised Credit Plan due mainly to the operations of the public sector and a heavier depletion of net foreign assets of the banking system. Overall domestic credit expansion at Rs.154.2 billion or 20.2 per

cent during 1995-96 was substantially higher than both the revised target of Rs.108.7 billion or 14.3 per cent and the actual expansion of Rs.83.2 billion or 12.3 per cent in the previous year. Of the total credit expansion during the year, public sector including autonomous bodies, accounted for Rs.73.6 billion or about 48 per cent of total credit expansion as against the revised Credit Plan provision of Rs.47.9 billion and an actual expansion of Rs.45.3 billion in 1994-95. Another factor which led to higher than projected growth in domestic credit was 'Other Items (net)' of the banking system. Expansionary impact of these items had been of Rs.20.4 billion in 1995-96. On the other hand, credit expansion in private sector including PSCEs amounted to Rs.60.3 billion in 1995-96 and was within the limit stipulated in the Credit Plan.

Monetary expansion at 14.9 per cent, though higher than the revised target of the Credit Plan, was lower than 16.6 per cent in 1994-95 (Table-V.1). Component-wise, the increase in monetary assets was shared to the extent of 3.2 per cent by M1 (comprising currency in circulation, demand deposits and other deposits with SBP), 6.4 per cent by time deposits and 5.3 per cent by Resident Foreign Currency Deposits (RFCDs). The overall share of M1 in total monetary expansion declined sharply from 58.3 per cent in 1994-95 to 21.5 per cent in 1995-96 (Table-V.2). These changes in the growth pattern of monetary assets reflected continuing growth of time deposits and RFCDs.

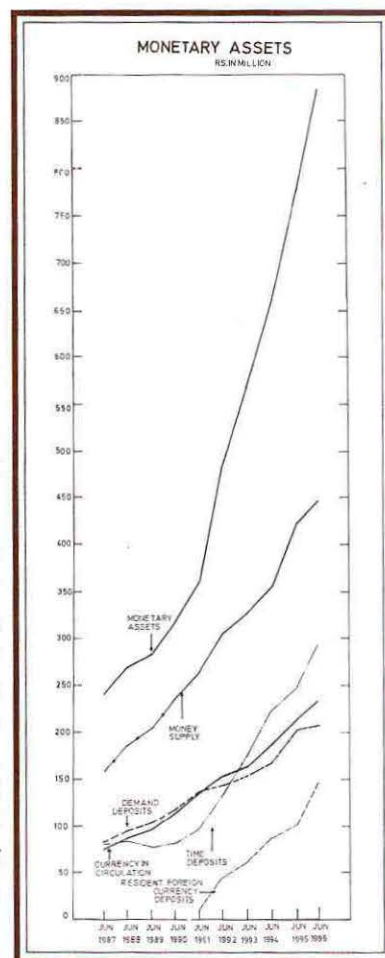


Table-V.1: Credit Plan 1995-96, 1996-97 and Actual Outcome During 1995-96

(Rupees in Million)

	Credit Plan 1995-96		Actual Outcome		Credit Plan 1996-97
	Original	Revised	1995-96	1994-95	
I. Public Sector	50000	47900	73578	45336	42000
(a) Budgetary Support	30000	28100	53611	24967	20000
(b) Commodity Operations	5000	5000	5858	4733	5000
(c) Effect of Zakat Fund etc.	-	(-200)	(-1057)	(-2195)	-
(d) Use of Privatisation Proceeds	12000	12000	12000	14130	14000
(e) Autonomous Bodies	3000	3000	3166	3701	3000
II. Private Sector & Public Sector Commercial Enterprises (PSCEs)	64236	64000	60263	66325	60000
(a) Commercial Banks			54915	49666	55000
(i) PSCEs			2976	2713	
(ii) Private Sector			51939	46953	
(b) Other institutions			5348	16660	5000
III. Other Items (Net)	-	(-3200)	20397	(-28426)	-
IV. Domestic Credit Expansion (I+II+III)	114236	108700	154237	83235	102000
	(14.99%)	(14.27%)	(20.24%)	(12.26%)	(11.13%)
V. Foreign Assets (Net)	(-13747)	(-15200)	(-38998)	26958	14000
VI. Monetary Expansion (IV+V)	100489	93500	115239	110193	116000
	(13.00%)	(12.10%)	(14.91%)	(16.63%)	(13.06%)

Note: Totals may not tally due to separate rounding off.

@ = After adjusting Rs.3956 million in June, 1995.

* = Adjusted for Rs.2205 million to exclude the impact arising due to mark-up debited to the borrowers accounts.

** = Adjusted for Rs.3073 million to exclude the impact arising due to mark-up debited to the borrowers account in the case of ADBP.

Table-V.2: Growth of Monetary Assets

(Rupees in Million)

Period	Currency in Circulation	Demand Deposits*	Other Deposits with SBP@	Money Supply (M1) (1+2+3)	Time Deposits*	Resident Foreign Currency Deposits#	Monetary Assets (M2) (4+5+6)	Annual Growth	
								M1	M2
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1991-92	14,852 (13.3)	23,884 (21.4)	208 (0.2)	38,944 (34.8)	39,300 (35.2)	33,517 (30.0)	111,761	14.9	30.3
1992-93	15,045 (17.4)	9,766 (11.3)	1,127 (1.3)	25,938 (29.9)	42,417 (49.0)	18,270 (21.1)	86,625	8.6	18.0
1993-94	17,844 (18.7)	12,329 (12.9)	1,057 (1.1)	31,230 (32.7)	33,546 (35.1)	30,860 (32.3)	95,636	9.6	16.9
1994-95	30,871 (28.0)	33,866 (30.7)	-451 (-0.4)	64,286 (58.3)	32,968 (29.9)	12,939 (11.7)	110,193	18.0	16.6
1995-96	18,531 (16.1)	4,476 (3.9)	1,736 (1.5)	24,743 (21.5)	49,612 (43.1)	40,885 (35.5)	115,239	5.9	14.9
Outstanding as on 30-6-1996	234,110	205,573	6,791	446,474	295,806	145,958	888,237		

* = Excluding inter-bank deposits, deposits of Federal and Provincial Governments and foreign constituents.

@ = Excluding IMF A/c Nos. 1 & 2, SAF Loan A/c, counterpart funds, deposits of foreign central banks, foreign governments, international organisations and deposit money banks.

= The deposits under Resident Foreign Currency Deposit Accounts (allowed w.e.f. 23-2-1991) have been included as part of monetary assets instead of as foreign liability.

Note: Figures in parentheses show percentage share in total growth in monetary assets (M2).

Credit to the Public Sector

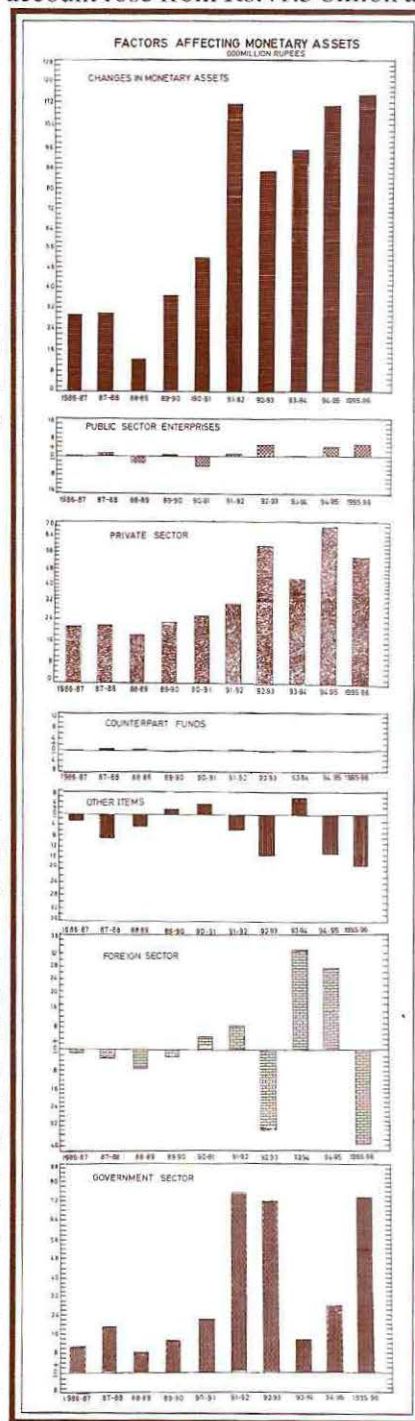
Growth in Government borrowing for budgetary support amounted to Rs.53.6 billion including Rs.4.4 billion on account of Provincial Governments as against the revised Credit Plan provision of Rs.28.1 billion and an actual expansion of Rs.25.0 billion in the preceding year. Increase in Provincial Governments' borrowing was mainly brought about by an increase of Rs.4.6 billion in Provincial Governments' debtor balances with State Bank. In addition to budgetary borrowing, Government also used Rs.12.0 billion from its unutilized sale proceeds of PTC vouchers which also contributed to domestic credit expansion.

Government borrowing for financing commodity operations increased by Rs.5.9 billion compared with Rs.5.0 billion provided in the Credit Plan for the year and an actual expansion of Rs.4.7 billion in 1994-95. Outstanding level under this account rose from Rs.41.5 billion as of end-June, 1995 to Rs.47.4 billion by the end of June, 1996. As usual, major part of borrowing for commodity operations was made towards the end of the year to finance procurement of wheat (Rs.4.4 billion). Other commodities responsible for increase in borrowing included edible oils (Rs.1.5 billion) and sugar (Rs.0.7 billion).

Credit to public sector autonomous bodies (WAPDA, OGDC, NFC, PTVC & PTC) rose by Rs.3.2 billion during the year compared with the Credit Plan provision of Rs.3.0 billion and an actual expansion of Rs.3.7 billion in 1994-95. PTC alone used Rs.1.6 billion or 50.0 per cent of the amount in 1995-96.

Financing of Specialised Credit Schemes through Specialised Credit Institutions

Quasi-fiscal operations of the Government in the form of directed credit to finance specialised credit schemes had been a source of substantial growth in domestic liquidity for the past several years especially since the early 1990s. A welcome development in 1995-96 had been the Government's resolve to restrict the expansion of credit under the specialized schemes. The net result was that the disbursing institutions which had traditionally depended on State Bank credit lines were obliged not only to be prudent in lending but also to intensify recovery of past loans. Financing of specialised credit schemes through these institutions was limited to Rs.5.3 billion during 1995-96 compared with Rs.16.7 billion in 1994-95. The deceleration in credit expansion through these institutions, however, did not mean reduction in gross disbursement of credit for which non-inflationary funds came through accelerated recoveries. Gross disbursement of agricultural credit by ADBP amounted to Rs.10.3 billion of which over 59.0 per cent or Rs.6.1 billion were disbursed as production loans. In 1994-95, ADBP had disbursed over Rs.14.1 billion to agriculture sector as a whole of which 44.0 per cent or Rs.6.2 billion formed production loans. Loans disbursed to provincial cooperative banks (PCBs) for on-lending to coop-



eratives by FBC remained at the last year's level of Rs.3.8 billion. Almost all of these loans were to be disbursed as production loans.

Credit to Private Sector and PSCEs through Commercial Banks

Although overall credit expansion in private sector (including PSCEs) at Rs.60.3 billion during 1995-96 showed some deceleration compared with Rs.66.3 billion in 1994-95, credit through commercial banks which represents core segment of credit to support private sector's production activities increased by Rs.54.9 billion in 1995-96 compared with Rs.49.7 billion in 1994-95. More specifically, expansion of credit to private sector proper (excluding PSCEs) through commercial banks at Rs.51.9 billion was right on Credit Plan target indicating that pre-emption of credit by the public sector was not allowed to crowd out the private sector.

Within overall credit disbursement to private sector, commercial banks disbursed loans amounting to Rs.5.0 billion to agriculture sector as a whole under mandatory targets. Within it, nearly 96 per cent (Rs.4.8 billion including Rs.3.6 billion for small farmers) went to finance production loans. The achievement rate in the case of targets fixed for agricultural production loans under the small loans scheme was 66.8 per cent in 1995-96 compared with 59.1 per cent in the previous year.

Major Pakistani commercial banks disbursed Rs.7.0 billion to the private sector manufacturing industry as fixed investment finance during 1995-96 compared with Rs.4.0 billion disbursed in 1994-95 indicating an increase of about 75 per cent over the previous year.

Credit to small business and small industry in 1995-96 increased by Rs.0.6 billion and Rs.3.1 billion respectively compared with a retirement of Rs.0.3 billion in the case of small business and an increase of Rs.4.5 billion in case of small industry in 1994-95.

Adequate arrangements were made for cotton financing during the year. Available data indicate that during 1995-96 cotton season, peak financing level of Rs.30.0 billion was reached on 8th February, 1996. Adjusted for financing availed by CEC as on that date, nearly Rs.28.0 billion were availed by private sector proper including mills (Rs.20.0 billion), ginneries (Rs.6.2 billion), shippers (Rs.1.2 billion) and traders (Rs.0.4 billion). As of 27th June, 1996 outstanding level of cotton financing still amounted to Rs.13.6 billion of which Rs.11.9 billion were payable by the private sector including Rs.11.0 billion by millers.

During the year, banks also continued utilising export finance facility at the prescribed concessionary rate of return. In 1995-96, banks were sanctioned an overall revolving limit of Rs.82.4 billion. Against this, banks availed of refinance aggregating to Rs.98.6 billion (on gross basis) during 1995-96 compared with Rs.87.7 billion in the preceding year. Of the total utilization of Rs.98.6 billion, Rs.11.9 billion were availed as cash refinance and Rs.86.7 billion as indirect refinance in the form of Special Deposit Accounts. The outstanding level of refinance provided by the State Bank under the Scheme increased to Rs.31.2 billion as at end-June, 1996 compared with Rs.27.8 billion as at end-June, 1995.

Credit Plan 1996-97

Taking into account the growth prospects and inflation target for 1996-97, and the expected movements in the external sector, the proposed Credit Plan for 1996-97 envisages liquidity expansion at Rs.116.0 billion or 13.1 per cent and domestic credit expansion at Rs.102.0 billion or about 11.1 per cent. The estimated global credit requirements provided in the Credit Plan for 1996-97 need to be viewed in the context of public sector borrowings which have been reduced substantially from their level in 1995-96. Credit allocation to private sector has, however, been kept unchanged at the high level obtained in 1995-96. Combined with stepped up recovery efforts of commercial banks/DFIs/specialised banks aiming at creation of non-inflationary additional financing, the level of net credit expansion to the private sector at Rs.60.0 billion, as proposed in the Credit Plan, would be adequate to meet genuine credit requirements originating from various sectors.

Monetary and Credit Policy during 1995-96

Financial sector reforms were continued in 1995-96. A number of steps were taken during the year to reduce controls and distortions in the banking system and to promote competition. These included, among others, interest rate reforms, permission for entry of domestic and foreign private banks and relaxation in credit controls. The objective was to replace controls with market based instruments, to strengthen prudential regulations to protect the depositors and the banking system, and to create an environment in which the banks compete with one another to provide better services to their clients. Emphasis has also been given to the recovery of defaulted loans of banks through special recovery tribunals. Supervisory arrangements for banks were strengthened to ensure adherence to prudential norms and to detect irregularities.

During the course of the year, the focus of monetary policy had been on controlling excessive credit expansion through indirect instruments of monetary control but also ensuring that genuine credit need of the private sector were met. A major step in the introduction of indirect monetary management was taken on 30th September, 1995 when the State Bank decided to abolish Credit Deposit Ratio (CDR) as an instrument of credit control. This decision necessitated increased and more frequent use of Open Market Operations (OMOs) supported by appropriate changes in liquidity/cash reserve requirements and discount (Repo) rate. Accordingly, the rate charged by the State Bank on financial accommodation to meet temporary liquidity shortages was enhanced from 15.0 per cent to 16.5 per cent and further to 17.0 per cent. The SBP 3-Day Repo Rate was re-fixed at a uniform rate of 17.0 per cent for six-months Treasury Bills (TBs) as well as for Federal Investment Bonds (FIBs) of all maturities. The floor rate on all bank lending including concessionary lending to finance local sales under the Locally Manufactured Machinery (LMM) Scheme was simultaneously raised from 13.0 per cent to 14.0 per cent. Rate of return on Export Finance Scheme and export sales under LMM were, however, kept unchanged at 13.0 per cent.

The State Bank continued to improve the market orientation of monetary policy by using OMOs as the principal instrument of monetary management. Several steps, which were taken to further broaden the government securities market, were consolidated during 1995-96. The

offering of multiple bid system in the primary auction and OMOs remained in vogue. The SBP made the auction and OMOs system more transparent and market-oriented. A pre-announced auction target with the amount based on six-months TBs maturities and fresh creation of Market-Related Treasury Bills (MRTBs) was introduced with effect from 27th June, 1996. In addition to regular weekly OMOs, special OMOs were conducted to mop up excess cash liquidity generated in the system through creation of fresh MRTBs by the Government.

The cut-off yield at the primary auction of government securities and on OMOs was allowed to gradually increase in line with the policy objective to make the interest rate policy fully market-oriented. The auction yield moved upward steadily from 12.6999 per cent to 13.2500 per cent per annum during 1995-96. Like-wise, the yield on outright sales of MRTBs at OMOs increased steadily from 12.50 per cent to 13.20 per cent per annum during the year.

In view of the rapid expansion in credit to the private sector and lack of response by banks to OMOs, banks were required to keep with State Bank as special deposits equivalent to 3.5 per cent of their demand and time liabilities (excluding foreign currency deposits) which were over and above the 5.0 per cent statutory cash requirement. These additional deposits were, however, remunerable at the maximum rate of 9.20 per cent per annum. With a view to enabling banks to earn current rate of profit being offered in the OMOs of the State Bank of Pakistan, banks were given option to enter into Repo transactions and to roll over their holdings of MRTBs at the rate prescribed by State Bank. While abolishing CDR banks were advised that the measure should not be misconstrued as a signal for expansion of credit beyond the limits set in the Credit Plan. They were thus advised to curtail expansion in private sector credit in 1995-96 well below that in 1994-95 in order to make a dent on mounting demand pressure. Further, with a view to enforcing credit discipline, the State Bank froze banks' lending to public sector commercial enterprises (PSCEs) during 1995-96 at their outstanding level as of end-May, 1995.

Investment banks and other Non-Bank Financial Institutions (NBFIs) entered into Repo transaction with scheduled banks for cash accommodation against their holdings of government securities which implicitly increased government borrowings from the banking system. Investment banks including NBFIs were, therefore, advised to do Repo in government securities only among themselves and with the corporate sector. In the context of public debt, the Federal Government decided to replace the existing six-months TBs with a new instrument namely, 'Short Term Federal Bonds'.

To avoid inordinate delays in payment of return to depositors, the State Bank directed the banks to ensure that return on deposits be declared and paid within 20 days of the closing of the half year concerned. The State Bank remained deeply concerned about imprudent lending, loan default, spread between lending and borrowing rates and excessive administrative costs of commercial banks and development finance institutions (DFIs). The Bank took a number of steps for improvement in these areas. The banks were advised to give top priority to recovery of defaulted loans and to control their administrative costs. For this purpose, commercial banks and DFIs were directed to provide information covering some areas of administrative costs.

In order to provide relief to the textile sector, the State Bank advised the banks that, where viable, they could reduce the rate of interest or freeze the payable interest on loans extended by them to spinning and weaving mills. The scope of Export Finance Scheme was widened to cover additional commodities while various terms and conditions governing the Scheme were relaxed to the benefit of exporters. The amount of fines under both parts of the Scheme was reduced, period of availment of credit under Part-I was enhanced and performance requirement under Part-II was liberalized. Likewise, the facility of concessionary financing under the Scheme for LMM was extended to tour operators.

A detailed account of changes in monetary and credit policy during the year 1995-96 is given in the Appendix to this chapter.

Open Market Operations (OMOs)

During the year 1995-96, the State Bank continued to conduct open market operations to regulate credit and liquidity in the economy. For this purpose, the State Bank invited bids, normally on weekly basis, from scheduled banks for purchase of MRTBs both on Outright Sale basis and Short-Term Repos. Total sale of MRTBs under OMOs amounted to Rs.119.6 billion during the year as compared with Rs.101.5 billion in 1994-95. Minimum and maximum rates of return allowed on OMOs during 1995-96 are given below:

	Rates of Return	
	(In per cent per annum)	
	Minimum	Maximum
Outright Sales	12.50	13.20
5-Months Repo	12.50	12.90
3-Months Repo	12.45	12.93
1-Month Repo	12.41	12.60

Apart from regular weekly OMOs, the State Bank also conducted special OMOs to provide an opportunity to banks to convert their special deposits lying with SBP into MRTBs. However, these holdings of MRTBs were not counted towards Statutory Liquidity Ratio or traded in the secondary market. Details of special OMOs conducted for the purpose during 1995-96 are as under:

	Face value of MRTBs converted (Rs. in billion)	Rate of Return		
		(In per cent per annum)		
		3-months Repo	5-months Repo	Outright Sales
3.5% Special Deposits	43.451	12.60 to 12.70	12.70 to 12.9095	12.70 to 12.9095

The State Bank of Pakistan conducted 24 auctions of six months Government Treasury Bills on a fortnightly basis, compared with 26 auctions held in the preceding year. Total amount of bids offered was Rs.135.5 billion compared with Rs.250.5 billion in the preceding year. Bids accepted amounted to Rs.106.3 billion during 1995-96 compared with Rs.146.7 billion last year. After repayment of maturities during the year, the outstanding balance of six months TBs stood at Rs.54.5 billion as on 30th June, 1996 compared with Rs.57.2 billion last year. The weighted average yield on TBs ranged between 12.6284 per cent and 13.0296 per cent per annum during 1995-96 compared with the range of 10.5643 per cent to 12.7277 per cent per annum in the preceding year.

Auction of Federal Investment Bonds (FIBs) continued on a monthly basis. Total bids offered amounted to Rs.18.0 billion during 1995-96 compared with Rs.42.2 billion in the preceding year. Total accepted bids amounted to Rs.16.0 billion compared with Rs.30.0 billion last year. After repayment of maturities during the year, the outstanding stock of FIBs stood at Rs.163.0 billion as on 30th June, 1996 compared with Rs.165.5 billion last year.

Growth and Structure of Deposits

The detailed break down of deposits is available on calendar year basis. These data showed that in 1995, total deposits recorded a rise of Rs.117.7 billion or 18.2 per cent as compared with a rise of Rs.108.8 billion or 20.2 per cent in the preceding year. A break down by types showed that the rise was mainly concentrated in 'Fixed' and 'Saving' deposits accounting for respective increases of Rs.51.6 billion (24.2 per cent) and Rs.38.4 billion (14.1 per cent). Current deposits also recorded an increase of Rs.18.8 billion (14.2 per cent) as compared with somewhat larger increase of Rs.19.2 billion (17.0 per cent) in the preceding year. The shares of 'Savings' and 'Current' deposits in the total increase, however, declined from 36.7 per cent and 17.6 per cent in 1994 to 32.7 per cent and 15.9 per cent in 1995. On the other hand, the share of 'Fixed' deposits in total growth increased from 38.6 per cent in 1994 to 43.8 per cent in 1995. Within 'Fixed' deposits the largest increase of Rs.28.4 billion was witnessed in the category of deposits of 'Less than 6 months' whose share in total growth increased from 11.3 per cent in 1994 to 24.2 per cent in 1995. Deposits 'For 6 months and over but less than 1 year' and 'For 5 years and over' recorded substantial increases of Rs.10.4 billion and Rs.9.1 billion respectively. Their respective shares in the overall growth increased by 3 percentage points to 8.8 per cent and 7.7 per cent. The marked tendency to keep deposits in shorter maturities reflected depositors' preferences for short term deposits to guard against inflation which eroded value of their deposits in the categories of longer maturities (Table -V.3).

Analysis of deposits by holders revealed that the share of 'Foreign Constituents' in total growth which declined from 32.6 per cent in 1991 to 5.2 per cent in 1994 increased sharply to 28.6 per cent in 1995. On the other hand, the share of 'Domestic Constituents' which had increased to 94.8 per cent in 1994 from 67.4 per cent in 1991 declined to 71.4 per cent in 1995. Rise in the share of 'Foreign Constituents' is due to mobilization of non-resident foreign currency deposits by banks. Within 'Domestic Constituents', 'Personal' deposits accounted for

Table-V.3: Growth of Scheduled Banks' Deposits by Types
(On calendar year basis)

(Rupees in Million)

Types	1994			1995		
	Amount	%	% Share	Amount	%	% Share
1. Current Deposits	19,185	17.0	17.6	18,752	14.2	15.9
2. Call Deposits	3,579	47.8	3.3	5,435	49.1	4.6
3. Other Deposit Accounts	4,136	27.7	3.8	3,494	18.3	3.0
4. Saving Deposits	39,879	17.2	36.7	38,435	14.1	32.7
5. Fixed Deposits	42,018	24.5	38.6	51,570	24.2	43.8
(i) Less than 6 months	12,244	17.9	11.3	28,433	35.3	24.2
(ii) For 6 months and over but less than 1 year	6,456	35.8	5.9	10,378	42.4	8.8
(iii) For 1 year and over but less than 2 years	10,092	37.0	9.3	4,643	12.4	3.9
(iv) For 2 years and over but less than 3 years	4,958	77.3	4.6	-1,124	-9.9	-1.0
(v) For 3 years and over but less than 4 years	859	5.4	0.8	1,337	7.9	1.1
(vi) For 4 years and over but less than 5 years	2,359	63.3	2.2	-1,151	-18.9	-1.0
(vii) For 5 years and over	5,050	16.1	4.6	9,054	24.9	7.7
Total	108,797	20.2	100.0	117,685	18.2	100.0

Note: Totals may not tally due to separate rounding off.

the largest increase of Rs.53.9 billion in 1995 as compared with smaller rise of Rs.26.7 billion in 1994. Consequently, their share in total growth went up from 24.5 per cent in 1994 to 45.8 per cent in 1995. Increase in deposits of 'Private Sector (business)' amounted to Rs.33.6 billion in 1995, compared with a larger rise of Rs.52.1 billion in the preceding year. Their share in total growth thus came down from 47.9 per cent in 1994 to 28.5 per cent in 1995. On the other hand,

Government deposits recorded a fall of Rs.6.0 billion in 1995 in contrast to a rise of Rs.21.2 billion in 1994 (Table-V.4).

Table-V.4: Growth of Scheduled Banks' Deposits by Holders
(On calendar year basis)

(Rupees in Million)

Holders	1994			1995		
	Amount	%	% Share	Amount	%	% Share
1. Foreign Constituents	5,707	5.7	5.2	33,630	31.6	28.6
2. Domestic Constituents	103,090	23.5	94.8	84,015	15.5	71.4
(i) Central Government, Provincial Governments and Local Bodies	21,152	110.2	19.4	-5,974	-14.8	-5.1
(ii) Public Sector Enterprises	632	1.9	0.6	960	2.8	0.8
(iii) Private Sector (Business)	52,091	33.7	47.9	33,557	16.2	28.5
(iv) Trust Funds and Non-Profit Organisations	1,007	10.3	0.9	3,371	31.2	2.9
(v) Personal	26,692	12.3	24.5	53,914	22.1	45.8
(vi) Others	1,516	39.3	1.4	-1,813	-33.7	-1.5
Total	108,797	20.2	100.0	117,685	18.2	100.0

Note: Totals may not tally due to separate rounding off.

Distribution of growth of scheduled banks deposits by size of accounts showed that the prominent increase was witnessed in the size ranges of 'Rs.100,000 to less than Rs.1,000,000' and 'Rs.1,000,000 and above' accounting for increases of Rs.29.2 billion and Rs.51.2 billion respectively in 1995 as compared with respective increases of Rs.28.2 billion and Rs.41.5 billion in 1994. Consequently, the share of these two size ranges, taken together, went up from 64.0 per cent in 1994 to 68.3 per cent in 1995. Sizeable increase of Rs.13.8 billion was also witnessed in the size range of 'Rs.10,000 but less than Rs.25,000'. This was, however, somewhat smaller than the rise of Rs.14.5 billion in the preceding year. Deposits of the size range of 'Less than Rs.1000' whose share in the growth of total deposits was (-)0.1 per cent in 1994 turned positive, i.e., (+)0.1 per cent in 1995 while share of size range of 'Rs.1000 to less than Rs.5000' reduced its negativity by one percentage point from (-)2.5 per cent to (-)1.5 per cent over the year (Table-V.5).

Table-V.5: Growth of Scheduled Banks' Deposits by size of Accounts
(On calendar year basis)

(Rupees in Million)

Size of Accounts	1994			1995		
	Amount	%	% Share	Amount	%	% Share
1. Less than Rs.1,000	-122	-20.6	-0.1	136	29.1	0.1
2. Rs.1,000-Less than Rs.5,000	-2,692	-8.0	-2.5	-1,758	-5.7	-1.5
3. Rs.5,000-Less than Rs.10,000	9,879	14.9	9.1	5,989	7.8	5.1
4. Rs.10,000-Less than Rs.25,000	14,509	19.9	13.3	13,754	15.7	11.7
5. Rs.25,000-Less than Rs.50,000	7,312	21.1	6.7	9,218	22.0	7.8
6. Rs.50,000-Less than Rs.100,000	10,259	28.9	9.4	9,932	21.7	8.4
7. Rs.100,000-Less than Rs.1,000,000	28,184	19.9	25.9	29,173	17.2	24.8
8. Rs.1,000,000 and above	41,469	26.9	38.1	51,241	26.2	43.5
Total	108,797	20.2	100.0	117,685	18.2	100.0

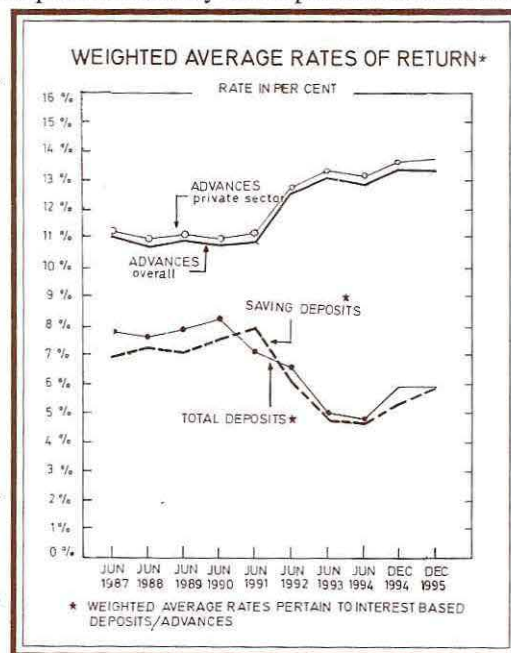
Note: Totals may not tally due to separate rounding off.

Structure of the Rate of Return on Deposits

In a savings-deficient economy like that of Pakistan, the first prerequisite of an efficient banking system should be to provide a positive real rate of return to savers.

In Pakistan, rates of return on PLS deposits (except until recently the deposits under current accounts) are determined by banks depending on their profitability and by applying different weights prescribed by State Bank to different types of deposits. Foreign currency deposits, however, are not subject to such constraint. Banks announce these rates bi-annually.

Weighted average rates of return on interest based and PLS based deposits (Table-V.6 and V.7) revealed that the overall rate of return increased in the case of interest based deposits from 5.93 per cent as of end-December, 1994 to 6.10 per cent as of end-December, 1995. However, in the case of PLS deposits (excluding current and other deposits) the weighted average rate of return declined from 9.19 per cent as at end-December, 1994 to 9.07 per cent as at end-December, 1995 indicating a negative real rate of return to depositors.



**Table-V.6: Weighted Average Rates of Return on Deposits
(Interest Based) — All Banks**

(In per cent per annum)

Types	End Dec., 1994	End Dec., 1995
Call Deposits	4.47	5.17
Other Deposits	—	3.86
Saving Deposits	5.33	5.91
Fixed Deposits		
Less than 6 months	5.65	5.97
For 6 months and over but less than 1 year	6.13	6.32
For 1 year and over but less than 2 years	6.08	6.37
For 2 years and over but less than 3 years	7.41	8.11
For 3 years and over but less than 4 years	8.10	8.21
For 4 years and over but less than 5 years	9.11	9.23
For 5 years and over	10.68	10.18
Total	5.93	6.10

**Table-V.7: Weighted Average Rates of Return on Deposits
(PLS Based) — All Banks**

(In per cent per annum)

Types	End Dec., 1994	End Dec., 1995
Call Deposits	6.03	6.29
Other Deposits	—	—
Saving Deposits	7.85	7.58
Fixed Deposits		
Less than 6 months	8.69	8.70
For 6 months and over but less than 1 year	10.58	10.62
For 1 year and over but less than 2 years	11.62	10.93
For 2 years and over but less than 3 years	11.72	11.64
For 3 years and over but less than 4 years	12.76	12.68
For 4 years and over but less than 5 years	13.58	13.27
For 5 years and over	15.08	14.88
Total	9.19*	9.07*

* = Excluding current and other deposits.

Nominal rates of return declared by banks on various types of PLS deposits for the six months period ended June, 1996 and June, 1995 are given in Table-V.8. The data indicate that the rate of return recorded visible increases in both lower and upper ends of the rates of return declared by banks in the case of deposits of two years and three years maturities and in Call Deposits, Special Notice Deposits of 7 to 29 days and 30 days and over. Ranges of rates on Saving Deposits, however, remained the same as of last year. Adjusted for inflation, most of these rates indicate negative real rates of return or very low positive rates.

Table-V.8: Ranges of PLS Deposit Rates Declared by Scheduled Banks

Types	(In per cent per annum)	
	30-6-1995	30-6-1996 ^P
1. Call Deposits	7.4 - 13.5	7.6-13.9
2. Special Notice Deposits		
(a) 7 to 29 days	4.3 - 7.7	5.0-9.0
(b) 30 days and over	5.0 - 9.0	5.7-11.0
3. Saving Deposits	6.0 - 12.0	6.0-12.0
4. Term Deposits		
(a) One Month	6.6 - 12.6	8.0-12.0
(b) Two Months	8.0 - 11.1	8.0-11.0
(c) Three Months	6.0 - 13.8	8.5-13.3
(d) Four Months	10.2 - 10.9	10.1-11.7
(e) Six Months	7.7 - 15.5	9.8-14.9
(f) One Year	8.0 - 16.4	10.1-15.7
(g) Two Years	9.8 - 13.8	11.1-14.5
(h) Three Years	11.0 - 15.0	12.0-15.3
(i) Four Years	12.7 - 15.1	12.7-16.0
(j) Five Years	13.5 - 17.5	13.5-17.0

P = Provisional.

Growth and Structure of Scheduled Banks'

Advances and investments

Scheduled banks consist of commercial banks and specialised banks. Detailed data on their advances and investments are available on calendar year basis. Data on advances classified by securities revealed that commercial banks' advances in 1995 increased substantially by 22.3 per cent (Rs.76.1 billion) compared with an increase of 12.3 per cent (Rs.37.5 billion) during 1994. The increase during 1995 was mainly accounted for by 'Merchandise' which claimed the largest share (40.5%) of the total increase in advances. Advances against this security recorded a sharp rise of Rs.30.8 billion (21.1%) in 1995 compared to a much smaller increase of Rs.4.6 billion (3.3%) in the preceding year. Advances against 'Fixed Assets (including machinery)' also increased by Rs.11.2 billion (29.9%) in 1995 compared with Rs.6.3 billion (20.3%) a year earlier. Advances against 'Real Estate' recorded a modest rise of Rs.6.4 billion (13.0%) in 1995 compared with a relatively larger increase of Rs.7.7 billion (18.5%) in the preceding year. Advances against 'Other Securities' moved up sharply by Rs.22.0 billion (29.4%) compared with a rise of Rs.15.5 billion (26.0%) in 1994 (Table-V.9).

Table-V.9: Changes in Scheduled Banks' Advances Classified by Securities

(On calendar year basis)

(Rupees in Million)

	1994			1995		
	Commercial Banks	Specialised Banks	Total (1+2)	Commercial Banks	Specialised Banks	Total (1+2)
	(1)	(2)	(3)	(1)	(2)	(3)
I. Gold Bullion, Gold and Silver Ornaments and Precious Metals	-927.8 (-53.8)	-127.5 (-100.0)	-1,055.3 (-56.9)	83.6 (10.5)	—	83.6 (10.5)
II. Securities, Shares and Other Financial Instruments	633.1 (5.9)	—	633.1 (5.9)	680.8 (6.0)	—	680.8 (6.0)
III. Merchandise	4,622.8 (3.3)	1.4 (11.4)	4,624.2 (3.3)	30,822.8 (21.1)	-10.6 (-77.4)	30,812.2 (21.1)
a. Food Items	-888.2 (-2.4)	—	-888.2 (-2.4)	14,481.7 (39.7)	—	14,481.7 (39.7)
i. Wheat	-556.6 (-4.0)	—	-556.6 (-4.0)	6,920.0 (52.2)	—	6,920.0 (52.2)
ii. Rice and Paddy	-2,064.9 (-13.4)	—	-2,064.9 (-13.4)	3,477.4 (26.0)	—	3,477.4 (26.0)
iii. Edible Oils	597.9 (16.5)	—	597.9 (16.5)	2,067.1 (49.0)	—	2,067.1 (49.0)
iv. Others	1,135.4 (25.5)	—	1,135.4 (25.5)	2,017.2 (36.1)	—	2,017.2 (36.1)
b. Raw Materials	511.8 (1.7)	0.3 (3.7)	512.1 (1.7)	6,677.1 (21.8)	-5.3 (-63.1)	6,671.8 (21.8)
i. Raw Cotton	1,943.6 (16.9)	—	1,943.6 (16.9)	4,268.8 (31.7)	—	4,268.8 (31.7)
ii. Fertilizers	-1,569.3 (-63.5)	—	-1,569.3 (-63.5)	554.8 (61.5)	—	554.8 (61.5)
iii. Petroleum Crude	879.7 (77.7)	—	879.7 (77.7)	-966.4 (-48.0)	—	-966.4 (-48.0)
iv. Others	-742.2 (-5.0)	0.3 (3.7)	-741.9 (-5.0)	2,819.9 (19.9)	-5.3 (-63.1)	2,814.6 (19.8)
c. Finished Goods	4,999.2 (6.7)	1.1 (26.2)	5,000.3 (6.7)	9,664.0 (12.2)	-5.3 (-100.0)	9,658.7 (12.2)
i. Cotton Textiles	2,044.4 (22.2)	—	2,044.4 (22.2)	1,754.9 (15.6)	—	1,754.9 (15.6)
ii. Cotton Yarn	4,638.3 (414.8)	—	4,638.3 (414.8)	926.8 (16.1)	—	926.8 (16.1)
iii. Machinery	81.6 (0.5)	-4.2 (-100.0)	77.4 (0.5)	-1,306.0 (-8.5)	—	-1,306.0 (-8.5)
iv. Others	-1,765.1 (-3.6)	5.3 (—)	-1,759.8 (-3.6)	8,288.3 (17.7)	-5.3 (-100.0)	8,283.0 (17.7)
IV. Fixed Assets including Machinery	6,329.1 (20.3)	401.4 (4.1)	6,730.5 (16.4)	11,228.1 (29.9)	355.5 (3.5)	11,583.6 (24.3)
V. Real Estate	7,696.8 (18.5)	9,807.3 (27.3)	17,504.1 (22.6)	6,404.2 (13.0)	7,448.9 (16.3)	13,853.1 (14.6)
a. Land	-239.5 (-1.6)	9402.2 (28.2)	9162.7 (18.9)	-948.3 (-6.4)	7151.4 (16.7)	6,203.1 (10.8)
b. Buildings	7,936.3 (30.0)	405.1 (15.8)	8341.4 (28.7)	7352.5 (21.4)	297.5 (10.0)	7,650.0 (20.5)
VI. Fixed Deposits and Insurance Policies	3,680.1 (21.3)	-29.2 (-80.0)	3,650.9 (21.1)	4,848.8 (23.1)	21.1 (289.0)	4,869.9 (23.2)
a. Bank Deposits	4,463.0 (28.8)	-29.2 (-80.9)	4,433.8 (28.6)	5,002.6 (25.1)	21.1 (305.8)	5,023.7 (25.2)
b. Insurance Policies	-782.9 (-43.4)	-0.0 (-0.0)	-782.9 (-43.4)	-153.8 (-15.1)	-0.0 (-0.0)	-153.8 (-15.1)
VII. Others	15,457.2 (26.0)	438.0 (2.9)	15,895.2 (21.4)	22,015.2 (29.4)	-866.4 (-5.6)	21,148.8 (23.4)
a. Other Secured Advances	4,702.4 (12.0)	467.8 (4.7)	5,170.2 (10.5)	13,712.1 (31.2)	-357.7 (-3.5)	13,354.4 (24.6)
b. Advances Secured by Guarantee(s)	6,877.1 (44.3)	558.2 (20.3)	7,435.3 (40.7)	6,583.9 (29.4)	-1280.5 (-38.7)	5,303.4 (20.6)
c. Unsecured Advances	3,877.6 (81.9)	-588.0 (-25.6)	3,289.6 (46.8)	17,19.2 (20.0)	771.8 (45.2)	2,491.0 (24.1)
Total	37,491.3 (12.3)	10,491.4 (17.3)	47,982.7 (13.2)	76,083.5 (22.3)	6,948.5 (9.8)	83,032.0 (20.1)

Note: Figures in parentheses are percentage changes.

A detailed break down of 'Merchandise' revealed that the increase mainly occurred in advances against 'Food Items' (+ Rs. 14.5 billion), 'Finished Goods' (+ Rs.9.7 billion) and 'Raw Materials' (+ Rs.6.7 billion). In the preceding year advances against 'Food Items' had declined by Rs.0.9 billion whereas advances against 'Finished Goods' and 'Raw Materials' recorded smaller increases of Rs.5.0 billion and Rs.0.5 billion respectively. The sharp increase in advances against 'Food Items' during 1995 compared with a decline in the preceding year is explained by the fact that wheat and rice production during 1995 was larger than in 1994 prompting larger borrowings against surplus stocks of these commodities.

The break down of 'Other Securities' showed that 'Other Secured Advances' (+Rs.13.7 billion) and 'Advances Secured by Guarantee (s)' (+Rs.6.6 billion) were the main elements of increase over the year.

Advances extended by Specialised Banks (ADBP, IDBP, FBC & PPCB) recorded a rise of Rs.6.9 billion (9.8%) during 1995 compared with larger increase of Rs.10.5 billion (17.3%) in the preceding year. The growth in advances by specialised banks was mainly concentrated in 'Real Estate' which recorded a rise of Rs.7.4 billion (16.3%) in 1995 compared with larger increase of Rs.9.8 billion (27.3%) in 1994.

Data on advances classified by borrowers revealed that the entire increase in commercial banks' advances was accounted for by 'Domestic Constituents' (+Rs.76.2 billion) as advances to 'Foreign Constituents' indicated a nominal decline in 1995. A break down of 'Domestic Constituents' revealed that the main increase was recorded in 'Private Sector (business)' (+Rs.52.0 billion) and 'Personal Advances' (+Rs.9.6 billion) compared with the increase of Rs.28.6 billion in 'Private Sector (business)' and Rs.6.5 billion in 'Personal Advances' in the preceding year. These two accounted for 81.0 per cent of the total increase in advances in 1995. Seen in the context of the preceding year, the picture of advances to Government and public sector enterprises has sharply changed. Advances to Government (almost entirely for financing Government Commodity Operations) which rose by Rs.2.3 billion in 1994 recorded a four fold increase of Rs.9.3 billion in 1995. On the other hand, advances to public sector enterprises which had declined by a nominal amount of Rs.2.1 million went up sharply by Rs.4.6 billion for financing of 'Manufacturing Sector' (+Rs.1.1 billion), 'Electricity, Gas, Water & Sanitary Services' (+Rs.1.3 billion) and 'Transport & Communication' (+Rs.1.0 billion).

A break down of 'Private Sector (business)' showed that the biggest share (Rs.32.3 billion) went to 'Manufacturing'. Advances to 'Commerce' increased by Rs.6.9 billion accounted for mainly by 'Wholesale and Retail Trade' (+Rs.4.7 billion) and 'Exports/Imports' (+Rs.4.7 billion). 'Electricity, Gas, Water & Sanitary Services' (+Rs.1.0 billion) and 'Services Sector' (+Rs.1.1 billion) also claimed significant amounts.

A break down of manufacturing sector showed that the main increases were concentrated in 'Textile Manufacturing' (+ Rs.13.9 billion) and 'Food Industries' (+ Rs.2.6 billion). Advances to 'Chemical and Chemical Products' increased by Rs.1.0 billion. 'Footwear, Made-up Textile Goods and Others' and 'Electrical Machinery' each accounted for an increase of Rs.0.9 billion. Advances to 'Basic Metal Industries' rose by Rs.0.5 billion (Table-V.10).

Table V.10: Changes in Scheduled Banks' Advances Classified by Borrowers
(On calendar year basis)

(Rupees in Million)

	1994			1995		
	Commercial Banks	Specialised Banks	Total (1+2)	Commercial Banks	Specialised Banks	Total (1+2)
	(1)	(2)	(3)	(1)	(2)	(3)
A. Foreign Constituents	-99.8 (-35.5)	—	-99.8 (-35.5)	-139.2 (-76.9)	—	-139.2 (-76.9)
B. Domestic Constituents	37591.0 (12.4)	10491.5 (17.3)	48082.5 (13.2)	76222.8 (22.4)	6948.6 (9.8)	83171.4 (20.2)
I. Government	2286.1 (7.2)	—	2286.1 (7.2)	9,333.1 (27.5)	—	9333.1 (27.5)
(i) Federal Government	2667.2 (11.9)	—	2667.2 (11.9)	7448.3 (29.6)	—	7448.3 (29.6)
(ii) Provincial Governments	-542.0 (-6.0)	—	-542.0 (-6.0)	1951.9 (23.1)	—	1951.9 (23.1)
(iii) Local Bodies	160.9 (110.8)	—	160.9 (110.8)	-67.1 (-21.9)	—	-67.1 (-21.9)
II. Public Sector Enterprises	-2.1 (-0.0)	92.9 (26.4)	90.8 (0.4)	4579.1 (20.2)	686.2 (154.2)	5265.3 (22.7)
(i) Manufacturing	1694.4 (23.5)	443.9 (17.5)	2138.3 (29.7)	1071.6 (12.0)	685.7 (154.5)	1757.3 (18.8)
(ii) Electricity, Gas, Water & Sanitary Services	-398.3 (-8.5)	—	-398.3 (-8.5)	1263.2 (29.5)	—	1263.2 (29.5)
(iii) Commerce	-52.4 (-2.1)	1.0	-51.4 (-2.0)	879.5 (35.1)	0.5 (50.0)	880.0 (35.1)
(iv) Transport & Communication	541.1 (30.3)	—	541.1 (30.3)	1031.3 (44.3)	—	1031.3 (44.3)
(v) Others	-1786.9 (-27.6)	-352.0 (-100.0)	-2138.9 (-31.3)	333.5 (7.1)	—	333.5 (7.1)
III. Private Sector (Business)	28615.4 (13.2)	11538.8 (20.8)	40154.2 (14.7)	52040.9 (21.2)	-314.4 (-0.5)	51726.5 (16.5)
(i) Agriculture & Forestry etc.	-3601.0 (-24.3)	6677.4 (17.5)	3076.4 (5.8)	4085.9 (36.5)	-1038.1 (-2.3)	3047.8 (5.4)
(ii) Manufacturing	18749.3 (18.2)	1848.7 (13.4)	20598.0 (17.7)	32296.9 (26.6)	2470.4 (15.8)	34767.3 (25.3)
(a) Food Industries	2401.0 (27.5)	8.6 (0.2)	2409.6 (19.7)	2561.5 (23.0)	-635.6 (-18.1)	1925.9 (13.2)
(b) Textiles	5827.4 (11.7)	645.5 (15.4)	6472.9 (12.0)	13932.3 (25.0)	-76.7 (-1.6)	13855.6 (22.9)
(c) Footwear, Made-up Textile Goods & Others	1060.6 (20.4)	25.1 (21.1)	1085.7 (20.5)	869.6 (13.9)	4.7 (3.3)	874.3 (13.7)
(d) Chemical and Chemical Products	732.8 (12.5)	213.7 (23.5)	946.5 (14.0)	977.3 (14.8)	283.9 (25.3)	1261.2 (16.4)
(e) Basic Metal Industries	904.6 (41.5)	82.6 (24.6)	987.2 (39.3)	453.7 (14.7)	50.9 (12.2)	504.6 (14.4)
(f) Electrical Machinery Apparatus & Appliances	867.3 (28.5)	-66.2 (-13.2)	801.1 (22.6)	908.1 (23.2)	66.4 (15.3)	974.5 (22.4)
(g) Others	6955.6 (24.8)	939.4 (22.2)	7895.0 (24.5)	12594.4 (36.0)	2776.8 (53.7)	15371.2 (38.3)
(iii) Construction	-128.8 (-2.1)	593.6 (89.9)	464.8 (6.7)	-209.9 (-3.4)	-1207.6 (-96.3)	-1417.5 (-19.1)
(iv) Electricity, Gas Water & Sanitary Services	124.6 (4.8)	33.9 (12.4)	158.5 (5.5)	984.4 (36.1)	438.1 (142.6)	1422.5 (46.9)
(v) Commerce	7143.7 (13.9)	2047.5 (176.3)	9191.2 (17.5)	6916.5 (11.9)	-872.6 (-27.2)	6043.9 (9.8)
(a) Wholesale & Retail Trade	3303.4 (14.4)	26.9 (31.8)	3330.3 (14.5)	4670.9 (17.8)	104.6 (93.9)	4775.5 (18.2)
(b) Exports/Imports	1864.2 (8.0)	1926.4 (21404.4)	3790.6 (16.2)	4743.4 (18.8)	-1935.4 (-100.0)	2808.0 (10.3)
(c) Others	1976.1 (39.7)	94.2 (8.8)	2070.3 (34.2)	-2497.8 (-35.9)	958.2 (82.5)	-1539.6 (-19.0)
(vi) Transport, Storage & Communication	1142.4 (9.3)	150.5 (122.4)	1292.9 (10.4)	416.8 (3.1)	-143.2 (-52.4)	273.6 (2.0)
(vii) Services	517.7 (25.7)	375.8 (398.5)	893.5 (42.4)	1050.4 (41.5)	57.6 (12.3)	1108.0 (36.9)
(viii) Other Private Business	4667.5 (18.8)	-188.6 (-14.7)	4478.9 (17.1)	6499.9 (22.0)	-19.0 (-1.7)	6480.9 (21.2)
IV. Trust Funds and Non-Profit Organisation	156.3 (73.7)	—	156.3 (73.7)	325.3 (88.3)	—	325.3 (88.3)
V. Personal	6536.7 (21.0)	-1111.8 (-22.9)	5424.9 (15.1)	9578.2 (25.4)	6368.7 (170.1)	15946.9 (38.5)
VI. Other Activities not Adequately Described	-1.4 (-0.2)	-28.4 (-48.6)	-29.8 (-4.2)	366.2 (56.1)	208.1 (693.7)	574.3 (84.2)
Total :	37491.3 (12.3)	10491.4 (17.3)	47982.7 (13.2)	76083.5 (22.3)	6948.5 (9.8)	83032.0 (20.1)

Note: Figures in parentheses are percentage changes.

Scheduled Banks' Investments

During the year ended December, 1995, total investments of scheduled banks increased by only Rs. 1 billion as compared to a sharp rise of Rs.59.8 billion in the preceding year. A detailed break down revealed that one of the element that created a large difference in the two years is the change that has taken place in banks' holdings of Treasury Bills. In the year 1994 banks purchased (on a net basis) Treasury Bills amounting to Rs.44.6 billion whereas in 1995 the banks reduced their holdings of Treasury Bills by Rs.11.2 billion reflecting mainly the impact of SBP's open market operations. Scheduled banks' holdings of Federal Government Securities and investments in shares, on the other hand, recorded increases of Rs.9.5 billion and Rs.2.3 billion as against respective increases of Rs. 10.6 billion and Rs.0.6 billion in the preceding year. Another element witnessing increase in scheduled banks' investments during 1995 was their investments in NIT units which rose by Rs.1.4 billion compared to much larger increase of Rs.3.2 billion in the preceding year. As against above increases, banks' holdings of Participation Term Certificates declined by Rs.1.4 billion during 1995 compared with a nominal fall of Rs.0.05 billion in 1994 (Table-V.11).

Table-V.11: Changes in Scheduled Banks' Investments
(On calendar year basis)

(Rupees in Million)

	1994	1995
1. Federal Government Securities	10619	9513
2. Treasury Bills	44566	- 11179
3. Provincial Governments Securities	3	218
4. Foreign Securities	—	-1
5. Other Securities	4574	2438
I. Shares	608	2262
(a) Financial Institutions	- 1892	752
(b) Other PSEs	177	524
(c) Private Sector	2323	986
II. Debentures	202	- 419
(a) Financial Institutions	- 5	—
(b) Other PSEs	- 146	- 23
(c) Private Sector	353	- 494
(d) Others	—	98
III. NIT	3246	1447
IV. Participation Term Certificates	- 50	- 1394
V. Modaraba Certificates	8	102
VI. Mutual Funds	8	360
VII. Others	552	80
Total	59762	989

Note: Totals may not tally due to separate rounding off.

Structure of Lending Rates

The effect of decapping of lending rates in March, 1995 and gradual increase in the minimum lending rates and concessionary lending rates became visible in the movement of weighted average rates of return on advances during 1995-96.

Weighted average rates of return on advances under Islamic modes of financing which account for bulk of bank credit increased from 13.54 per cent as at end-December, 1994 to 13.97 per cent as at end-December, 1995. The rate of return on interest based advances, however, declined marginally from 13.43 per cent to 13.39 per cent during the same period (Table-V.12).

Table-V.12: **Weighted Average Rate of Return on Advances**
(In per cent per annum)

	End Dec., 1994	End Dec., 1995
Precious Metals	12.85 (13.26)	13.12 (13.66)
Stock Exchange Securities	12.08 (10.06)	11.58 (11.58)
Merchandise	12.90 (12.02)	11.94 (12.00)
Fixed Assets (including Machinery)	14.22 (14.35)	14.39 (14.79)
Real Estate	13.00 (13.38)	12.91 (13.15)
Financial Obligations	12.93 (13.51)	14.97 (16.11)
Others	13.57 (13.99)	13.23 (13.72)
Total Interest-Based Advances	13.43 (13.66)	13.39 (13.70)
Total Advances under Islamic Modes of Financing	13.54	13.97

Note: Figures in parentheses show rates pertaining to private sector

The above mentioned weighted average rates of return on advances have been calculated on the basis of outstanding level of loans extended at various rates at various times. To that extent, therefore, these rates do not fully represent current trends. To capture these trends, the State Bank started collecting data on fresh advances of scheduled banks on monthly basis as from July, 1994. According to these data, weighted average rate of return on all types of advances during 1994-95 was 16.46 per cent which marginally rose to 16.99 per cent during 1995-96. Loans disbursed upto 11 per cent in 1995-96 accounted for nearly 1.39 per cent of all loans. Loans disbursed upto 15 per cent formed 27.26 per cent of total loans disbursed in 1995-96 compared with 31.08 per cent in 1994-95. Share of loans disbursed upto 19 per cent rate of return worked out to 87.13 per cent in 1995-96 compared with a much higher percentage of 98.87 per cent in 1994-95. A very high percentage of loans disbursed upto 19 per cent rate of return was directly the result of the imposition of a ceiling rate of 19 per cent upto Nov.13,1994 and removal of cap as from March, 26, 1995. Share of loans disbursed at rates upto 20 per cent and 21 per cent increased to 93.26 per cent and 94.40 per cent, respectively during 1995 (Table-V.13).

Defaults and Recoveries

The banking and financial system, especially the nationalised banking sector has been characterised by imprudent lending, leading to excessive loan defaults and poor recovery effort. Total amount of stuck-up advances of Banks/DFIs of Rs.1.0 million and above which stood at Rs.101.0 billion as of end-June, 1995 rose to Rs.113.2 billion or 18.8 per cent of total loan portfolio as of end-June, 1996 indicating an increase of 12.0 per cent over the period. During the same period, an amount of Rs.16.0 billion was recovered in cash while loans in the amount of Rs.20.0 billion were rescheduled/restructured constituting together about 32 per cent of total default as of end-June, 1996. In all 3500 cases involving over Rs.53.2 billion are pending before different banking courts for decision and another 2205 cases involving an amount of Rs.14.0 billion are pending before the courts for execution of decrees. Together these two categories of cases constitute 59.0 per cent of the total defaults of the financial system.

Within the financial system as a whole, the highest ratio of default to total loan portfolio was in the case of public sector DFIs (22.91 per cent) followed by domestic banks (20.83 per cent) and foreign banks (4.12 per cent). Within domestic banking itself, the highest default ratio occurred in the case of nationalised banks (28.25 per cent) followed by specialised banks (16.55 per cent), privatised banks (13.02 per cent), provincial banks (7.79 per cent) and private banks (5.36 per cent). The ratio was relatively lower in the case of banks established since the early 1990s both because of their recent origin as well as application of prudence in lending.

Banking Developments

Total number of scheduled banks increased from 44 as at end-June, 1995 to 47 as at end-June, 1996. The number of Pakistani scheduled banks, however, remained unchanged at last year's

Table V.13: Monthly Average of Loans Disbursements by Different Categories of Banks at Various Rates of mark-up During 1995-96

(Rupees in Million)

Rates of Mark-up /Other Modes	Overall			Pakistani Banks			Foreign Banks			Pak. Commercial Banks			Specialized Banks		
	Amount	As % of Total	Weighted Average	Amount	As % of Total	Weighted Average	Amount	As % of Total	Weighted Average	Amount	As % of Total	Weighted Average	Amount	As % of Total	Weighted Average
Upto 10%	642	1.05	4.64	593	1.20	4.75	61	0.53	3.30	502	1.05	4.00	91	6.83	8.87
over 10%	60,208	98.95	17.12	48,743	98.80	17.52	11,480	99.47	15.43	47,498	98.95	17.61	1,245	93.17	14.06
Upto 11%	848	1.39	6.15	693	1.41	5.64	182	1.58	8.32	601	1.25	5.14	92	6.90	8.89
Over 11%	60,002	98.61	17.14	48,642	98.59	17.53	11,359	98.42	15.48	47,399	98.75	17.62	1,244	93.10	14.07
Upto 12%	1,280	2.10	8.09	981	1.99	7.48	327	2.83	9.87	887	1.85	7.33	95	7.07	8.96
Over 12%	59,569	97.90	17.18	48,355	98.01	17.56	11,214	97.17	15.53	47,113	98.15	17.66	1,241	92.93	14.07
Upto 13%	6,056	9.95	11.95	4,030	8.17	11.64	2,054	17.80	12.49	3,901	8.13	11.70	129	9.63	10.03
Over 13%	54,793	90.05	17.55	45,306	91.83	17.87	9,487	82.20	15.99	44,099	91.87	17.98	1,207	90.37	14.10
Upto 14%	13,224	21.73	13.02	8,934	18.11	12.89	4,318	37.41	13.24	7,662	15.96	12.79	1,272	95.20	13.50
Over 14%	47,626	78.27	18.09	40,402	81.89	18.35	7,223	62.59	16.64	40,338	84.04	18.35	64	4.80	17.73
Upto 15%	16,587	27.26	13.36	10,471	21.22	13.14	6,143	53.23	13.70	9,195	19.16	13.09	1,276	95.53	13.51
Over 15%	44,262	72.74	18.35	38,865	78.78	18.50	5,398	46.77	17.26	38,805	80.84	18.50	60	4.47	17.94
Upto 16%	18,518	30.43	13.62	11,255	22.81	13.33	7,290	63.17	14.04	9,979	20.79	13.30	1,276	95.54	13.51
Over 16%	42,332	69.57	18.46	38,081	77.19	18.56	4,251	36.83	17.64	38,021	79.21	18.56	60	4.46	17.94
Upto 17%	21,644	35.57	14.05	12,507	25.35	13.66	9,164	79.40	14.57	11,216	23.37	13.67	1,291	96.60	13.54
Over 17%	39,206	64.43	18.61	36,829	74.65	18.62	2,377	20.60	18.41	36,783	76.63	18.62	45	3.40	18.39
Upto 18%	42,241	69.42	15.79	31,731	64.32	16.06	10,538	91.30	14.98	30,409	63.35	16.16	1,322	98.96	13.64
Over 18%	18,608	30.58	19.70	17,605	35.68	19.72	1,004	8.70	19.36	17,591	36.65	19.72	14	1.04	19.68
Upto 19%	53,019	87.13	16.42	41,825	84.78	16.73	11,221	97.23	15.22	40,503	84.38	16.83	1,322	98.98	13.65
Over 19%	7,831	12.87	20.86	7,511	15.22	20.88	320	2.77	20.58	7,497	15.62	20.88	14	1.02	19.69
Upto 20%	56,746	93.26	16.64	45,320	91.86	16.97	11,453	99.24	15.31	43,985	91.64	17.07	1,335	99.95	13.70
Over 20%	4,104	6.74	21.82	4,016	8.14	21.80	88	0.76	22.38	4,015	8.36	21.80	1	0.05	22.00
Upto 21%	57,442	94.40	16.69	46,010	93.26	17.03	11,459	99.29	15.31	44,675	93.07	17.13	1,336	99.95	13.70
Over 21%	3,408	6.74	22.01	3,326	6.74	22.00	82	0.71	22.50	3,325	6.93	22.00	1	0.05	22.00
Upto 22%	60,767	99.87	16.98	49,274	99.88	17.36	11,521	99.82	15.35	47,938	99.87	17.46	1,336	100.00	13.71
Over 22%	82	0.13	23.09	62	0.12	22.79	20	0.18	23.99	62	0.13	22.79	0	0	0
Upto 23%	60,826	99.96	16.99	49,333	99.99	17.36	11,521	99.83	15.35	47,997	99.99	17.46	1,336	100.00	13.71
Over 23%	23	0.04	23.97	3	0.01	23.75	20	0.17	24.00	3	0.01	23.75	0	0	0
Upto 24%	60,849	100.00	16.99	49,336	100.00	17.36	11,541	100.00	15.37	48,000	100.00	17.47	1,336	100.00	13.71
Over 24%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Upto 25% & over	60,849	100.0	16.99	49,336	100.00	17.36	11,541	100.0	15.37	48,000	100.00	17.47	1,336	100.00	13.71

level of 25. During 1995-96, 208 new branches/offices were opened by scheduled banks in Pakistan and Azad Kashmir as compared with 332 branches/offices opened during the preceding year while 2 branches were closed down. Total number of branches/booths of scheduled banks thus increased from 8400 at end-June, 1995 to 8606 at end-June, 1996, of which domestic banks' branches rose from 8326 in June 1995 to 8523 in June, 1996. Banks were thus covering 15295 persons per branch by the end of June, 1996 as compared with 15239 persons per branch last year. Out of the total 208 new branches, 57 branches were opened at un-banked centres as against 103 last year. Total number of Pakistani banks' branches abroad increased from 124 to 126 during 1995-96 (Table-V.14).

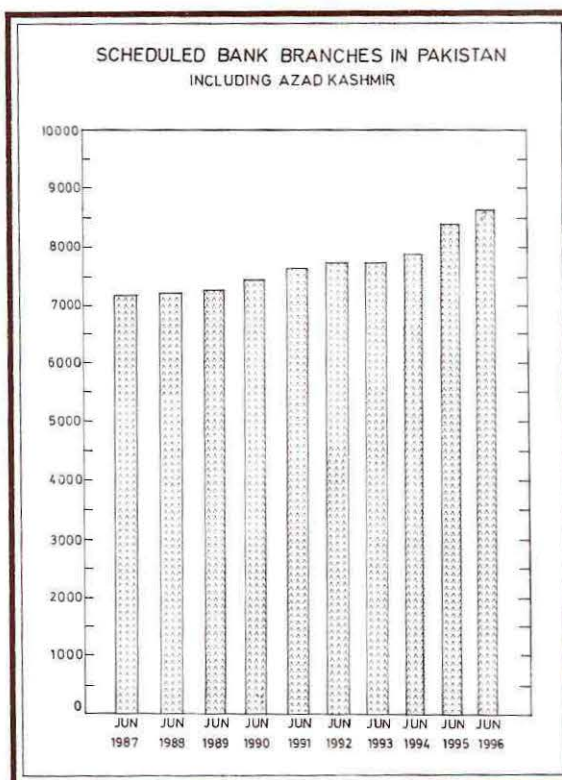


Table-V.14: Position of Scheduled Banks

(Rupees in Million)

	End-June, 1995			End-June, 1996		
	Domestic Banks	Foreign Banks	Total	Domestic Banks	Foreign Banks	Total
1. Bank Deposits	543410	127364	670774	646282	162322	808604
	(81.01)	(18.99)	(100.00)	(79.93)	(20.07)	(100.00)
(a) Demand Deposits	281188	30643	311831	319237	37860	357097
	(90.17)	(9.83)	(100.00)	(89.40)	(10.60)	(100.00)
(b) Time Deposits	262222	96721	358943	327045	124462	451507
	(73.05)	(26.95)	(100.00)	(72.43)	(27.57)	(100.00)
2. Bank Advances	352973	60838	413811	396442	78289	474731
	(85.30)	(14.70)	(100.00)	(83.51)	(16.49)	(100.00)
3. Bills Purchased and Discounted	48807	10842	59649	51690	10821	62511
	(81.82)	(18.18)	(100.00)	(82.69)	(17.31)	(100.00)
4. Investments	198976	46770	245746	223139	57078	280217
	(80.97)	(19.03)	(100.00)	(79.63)	(20.37)	(100.00)
(a) Government Securities	167931	46150	214081	185061	56189	241250
	(78.44)	(21.56)	(100.00)	(76.71)	(23.29)	(100.00)
(b) Other Securities	31045	620	31665	38078	889	38967
	(98.04)	(1.96)	(100.00)	(97.72)	(2.28)	(100.00)
5. Total Assets/Liabilities	1309783	337833	1647616	1498829	411562	1910391
	(79.50)	(20.50)	(100.00)	(78.46)	(21.54)	(100.00)
6. Bank Branches (Nos)	8326	74	8400	8523	83	8606
	(99.12)	(0.88)	(100.00)	(99.04)	(0.96)	(100.00)

Notes: (i) Figures in parentheses show percentage share in total.

(ii) Totals may not tally due to separate rounding off.

Three new foreign banks viz. Bank of Ceylon, Oman International Bank (S.A.O.G.) and Trust Bank Limited commenced their operations in Pakistan during 1995-96 raising the total number of foreign scheduled banks to 22 as compared to 19 at the end of preceding year. Foreign banks opened 9 new branches during 1995-96 thus increasing their number of branches from 74 to 83 (including 9 branches of Indian banks vested in the custodian of enemy property since September, 1965). Consequent upon merger of The Bank of Tokyo Limited with Mitsubishi Bank Limited, its name was changed from The Bank of Tokyo Limited to The Bank of Tokyo-Mitsubishi Limited.

Of the aggregate bank deposits of Rs.808.6 billion as on 30th June, 1996, 79.93 per cent (Rs.646.3 billion) were held by Pakistani banks and 20.07 per cent (Rs.162.3 billion) by foreign banks. In this respect performance of foreign banks was far better than that of Pakistani banks. While Pakistani banks held Rs.75.8 million deposits per branch, foreign banks held Rs.1,955.6 million per branch as on 30th June, 1996. However, this was due largely to foreign banks' concentration in larger urban commercial centres. The share of Pakistani banks in total bank advances of Rs.474.7 billion as on 30th June, 1996 was 83.51 per cent (Rs.396.4 billion) and of foreign banks 16.49 per cent (Rs.78.3 billion). Of the total investments of Rs.280.2 billion in 'Government' and 'Other Securities', share of Pakistani banks totalled 79.63 per cent (Rs.223.1 billion) while that of foreign banks 20.37 per cent (Rs.57.1 billion) at the end of June, 1996. Scheduled banks assets/liabilities which stood at Rs.1,647.6 billion as on 30th June, 1995 increased by about 16 per cent to Rs.1910.4 billion as on 30th June, 1996. Of these, the share of Pakistani banks totalled 78.46 per cent (Rs.1,498.8 billion) and of foreign banks 21.54 per cent (Rs.411.6 billion).

APPENDIX

CREDIT CONTROL AND OTHER MEASURES DURING 1995-96

A. Rationalization of Rate of Return Structure

On October 29, 1995 following changes were made in the mark-up regime to rationalize the rate of return structure and make it more market oriented:-

- (a) Annual rate of return on the local sales of LMM was raised from 13.0 per cent to 14.0 per cent.
- (b) Minimum rate of return charged by Banks/NBFIs under trade related and investment type modes of financing for advances other than exports and for Part-II of locally manufactured machinery (viz. Export sales) was raised from 13.0 per cent to 14.0 per cent.
- (c) Following enhancement in minimum rate, the minimum lending rate for agricultural production loans, loans for sugarcane crop and tractor loans were accordingly adjusted at 14.0 per cent on annual basis.
- (d) The minimum rate of return charged by State Bank for meeting temporary liquidity shortages was raised from 15.0 per cent to 16.5 per cent on October 29, 1995 and further to 17.0 per cent on December 13, 1995.

To provide relief to the textile sector, the State Bank advised the banks on November 19, 1995 that banks who had extended loans to the spinning and weaving mills might review the project, and where viable, determine on their own a reduced rate of return or freeze the interest payable.

B. Liberalization of Credit Market and Use of Indirect Instruments of Monetary Policy

I. Abolition of Credit Deposit Ratio (CDR)

As a major step towards liberalization of credit market, the State Bank abolished Credit-Deposit Ratio (CDR) as an instrument of credit control on September 30, 1995. The objective was that credit to the private sector henceforth would be regulated through market-based instruments such as Open Market Operations to be supplemented, if necessary, with changes in liquid assets/cash reserve requirements and discount rate. Banks' own role and responsibility in a successful transition to market based monetary management without undermining financial discipline was emphasized to them. Banks were, however, advised that abolition of CDR should not be misconstrued as a signal for expansion of credit beyond the limit set in the Credit Plan.

2. Increase in Cash Reserve Requirement

In order to keep private sector credit expansion within safe limits, the State bank directed all scheduled commercial banks on December 11, 1995 to maintain at all times with it a Special Deposit Account equivalent to 3.50%* of their total time and demand liabilities in Pakistan (excluding foreign currency

* On 23rd June, 1996 it was decided to dispense with the requirement of maintenance of Special Cash Deposit with effect from 1st July, 1996.

deposits) till further orders. The requirement was to be met latest by December 19, 1995. These Special Cash Deposits were in addition to the cash reserve of 5% maintained by banks under Section 36(1) of the State Bank of Pakistan Act, 1956, However, these deposits were remunerated by the SBP at the maximum rate of 9.20% (the weighted average rate of return paid by banks to their depositors) on annual basis. However, in the Open Market Operations of the State Bank of Pakistan, on December 20, 1995, banks were given option, to enter into any of the following types of Repo transactions in the market related six-months TBs with SBP:-

- (a) Three months Repo at annual yield of 12.60%
- (b) Five months Repo at annual yield of 12.70%

The TBs so sold were not counted towards liquidity or cash reserve requirements.

It was decided on March 11, 1996 that the banks may get their holdings of Market Related Treasury Bills (MRTBs) issued on account of maturities of 3.5% Special Deposits rolled-over at the following rates:-

- (a) Three months Repo at an annual yield of 12.60%
- (b) Five months Repo/outright purchase at the last weighted average auction yield of six months Treasury Bills (i.e. 12.8103% per annum). On May 20, 1996 it was decided that the banks may get their holdings in MRTBs further rolled-over at the following rates:-
 - (i) Three months Repo at an annual yield of 12.70%
 - (ii) Five months Repo/outright purchase at the last weighted average auction yield of six months Treasury Bills (i.e. 12.9095% per annum)

C. Repo Transactions

1. 3-Day Repo Facilities - Directive under the Banking Companies Ordinance 1962

Consequent upon dismantling of the CDR and adoption of Open Market Operations (OMOs) as the principal means of indirect monetary and credit management, the State Bank further rationalized on October 16, 1995 the existing procedures and practices relating SBP's 3-Day Repo Facilities as explained below:-

- (a) Banks desirous of availing above mentioned discounting facilities would henceforth apply directly to the State Bank of Pakistan. They were advised to do well to meet their overnight financial requirements from the market and avail discounting facility from the SBP only sparingly - basically to meet their statutory cash reserve requirements.
- (b) All lendings and borrowings in the inter-bank Call Money and Repo markets would be reported by banks to the State Bank on daily basis.

2. Increase in SBP 3-Day Repo Rate

With effect from 29th October, 1995 the SBP's 3-Day Repo rate was raised from 15.5 per cent to 16.5 per cent in the case of six months Treasury Bills (TBs) and Federal Investment Bonds (FIBs) of 3 and 5

years maturities. Rate on FIBs of 10 Years maturity was raised from 17.5 per cent to 18.5 per cent. However, effective December 11, 1995 rate for 3-Day Repo, for six months TBs and FIBs of all maturities was re-fixed at a uniform rate of 17.0 per cent per annum.

3. Short Term Federal Bonds

The Federal Government decided on June 24, 1996 to replace the existing six months Treasury Bills with a new instrument namely Short Term Federal Bonds. The Government also published the following draft rules for comments/objections, if any, for information of all parties likely to be affected thereby and notice was given that the draft will be taken into consideration on or after the 10th of July, 1996.

- (a) These rules may be called Short Term Federal Bonds Rules, 1996.
- (b) They shall come into force with effect from the 1st July, 1996.
- (c) Bonds can be purchased by individuals, institutions and bodies corporate including banks irrespective of their residential status.
- (d) The face value of Bonds shall be paid along with the profit accrued on maturity after six months from the date of issue. An express or standing authority of the Government to this effect that the face value of the bonds along with the accrued amount of profit shall be paid through the State Bank of Pakistan on maturity by debit to Government Account which shall be subscribed on the leaflets.
- (e) The rate of return (profit) shall be determined at the auction held from time to time.
- (f) The Bonds can be traded freely and are transferable by endorsement or delivery.
- (g) The recipients of profit shall be liable to pay tax under Income Tax Ordinance, 1979 (as amended from time to time). Tax will be deducted at source.

4. Repo Transactions with Scheduled Banks

It was observed that investment banks and other NBFIs enter into Repo transactions with scheduled banks for cash accommodation against their holdings of government securities which implicitly increases government borrowings from banking system to that extent. Investment Banks including NBFIs were, therefore, advised on 26th June, 1996 to refrain the practice of entering into Repo transactions with scheduled banks. They could, however, do Repos in government securities among themselves and with the corporate sector.

D. Concessionary Finance Schemes

1. Export Finance Scheme

The following changes were made in the Export Finance Scheme during 1995-96.

(I) On July 4, 1995, the State Bank decided to provide relief to the exporters by allowing relaxation in the levying of fines under the Export Finance Scheme applicable to exports of Carpets, Carpeting Rugs & Mats; Tarpaulin and other Canvas Goods; Cotton Fabrics; Ready made Garments; Towels; and Leather

Manufactures made during 1994-95.

(II) Effective 1st August, 1995 it was decided to provide concessionary finance for blended yarn (with cotton component not exceeding 49 per cent), Packeted Basmati Rice with brand name and Animal Casings.

(III) On 27th September, 1995 it was decided to provide concessionary finance for "Sassfrass Leaves".

(IV) Due to some unavoidable circumstances the exporters had not been able to meet their shipment schedules or required export performance during calendar year 1995 under the Export Finance Scheme. Therefore, on November 1, 1995, the State Bank decided to allow the following relaxation to exporters who availed refinance between 1st January and 30th September, 1995:-

- (a) A grace period of 15 days was allowed to the exporters, who would apply for the same over and above the period of 150 days meaning that shipment delayed under Part-I of the scheme by 15 days would not be liable to fine.
- (b) The performance requirement under Part-II of the Scheme during the aforesaid quarters was reduced, for exporters of Karachi only, from 2.4 times to 2.3 times excluding commodities granted relief on July 4, 1995.

(V) Effective February 13, 1996 the following amendments were made in the Export Finance Scheme:-

- (a) Export Finance under Part-I of the Scheme shall be available for a period of 180 days instead of 150 days for 1995-96 and 1996-97 in respect of:-
 - (i) Hand knotted carpets and rugs.
 - (ii) Garments made of cotton excluding cloth, towels, bed sheets etc. (garments made from fabric which contain a mixture of two or more textile materials are to be classified as made of cotton if cotton component is more than 50% by weight),
 - (iii) Leather manufactures excluding finished/tanned leather,
 - (iv) Engineering and electronic goods,
 - (v) Cutlery, and
 - (vi) Sports goods.

With effect from May 19, 1996 the above mentioned facility was also allowed in case of the following items:

- (i) Towels, bedwear, hosiery and knitwear.
 - (ii) All types of synthetic and art silk printed/dyed cloth and garments
- (b) The Required level of performance in respect of the above categories under Part-II of the Scheme has also been reduced from 2.4 times to 2.0 times for 1995-96 and 1996-97.
 - (c) The Export Finance limit to the exporters of the above sectors under Part-II of the Scheme was also enhanced from 5/12 to 1/2 time for 1995-96 and 1996-97. In addition to above, the following relaxation were also been granted with immediate effect:-
 - (i) The rate of fine of Rs.110 per Rs.1000 or part thereof on account of non-shipment or short shipment under Part-I of the Scheme was reduced to Rs.100 per Rs.1000 or part thereof.

- (ii) The rate of fine of Paisa 60 per day for Rs.1000 or part thereof on account of delay in shipment under Part-I of the Scheme was reduced to Paisa 50 per day per Rs.1000 or part thereof.
- (iii) In case an exporter who had obtained refinance under Part-II but failed to match his borrowings by his export performance, was subjected to a fine of Paisa 50 per Rs.1000 or part thereof, of the short fall in the total daily product of exports undertaken by him instead of Paisa 60 per Rs.1000 or part thereof as at present.

(VI) It was decided on April 3, 1996 to extend the facility of finance as available under the Export Finance Scheme for export of gold Jewellery embedded with or without precious/semi-precious stones on self consignment basis provided the same is against firm contract/order subject to the condition that such exports have the prior approval of Foreign Exchange Department (FED) of the State Bank. Provision of finance and monitoring of the performance would be as under:-

- (i) The Bank may provide finance under Part-I of the Scheme to the exporters for export of gold jewellery embedded with or without precious/semi-precious stones on case by case basis against Firm Export Order/L.C and may claim refinance from the Offices of State Bank against submission of the prescribed documents.
- (ii) The date of shipment will be the date on which shipment is allowed by the Customs.
- (iii) The exporters will be required to repatriate proceeds into Pakistan by importing gold and remitting remaining value on account of gems and making charges through banking channel in accordance with permission given by the FED. The exporters will also be required to appropriate the proceeds immediately towards the export finance allowed by the bank. For this purpose the date of realization given in the PRC and the date of import of gold as per Bill of Entry and Custom's receipt of gold will be taken into account. As prescribed under the Scheme the bank will be required to pass on the amount repaid by the exporters/received against the relevant contract to the State Bank within three working days of its receipt.
- (iv) As provided under the Scheme, the Exporters/Bank will submit to concerned State Bank Office shipping documents of export performance against finance availed under the Scheme. The shipping documents will consist of:
 - (a) copy of duplicate E-Form duly certified/authenticated by Bank/Customs authorities containing requisite details of shipment,
 - (b) copy of invoice duly attested/authenticated by Bank/Custom,
 - (c) copy of shipping bill (in lieu of Air Bill) counting details of gold jewellery exporters particulars, consignee's name, the name of the person carrying the consignment alongwith his Passport No. duly authenticated by the Customs. The authentication should also explicitly indicate that all the formalities have been completed and that shipment allowed,
 - (d) copies of bill of entry and receipt of gold by Customs duly authenticated by the bank,
 - (e) copy of FED's approval; and
 - (f) attested copy of EPRC.

All other terms and conditions of the Scheme will remain unchanged and fines as prescribed under the Scheme for non-shipment, delayed shipment, short shipment and delayed repayment etc; shall be charged/recovered as per provisions of the Scheme.

(VII) Effective from 19th May, 1996 export finance facility for 150 days was also made permissible for export of IRRI rice.

2. Locally Manufactured Machinery (LMM) Scheme

The following changes were made in the Scheme during 1995-96.

(I) Effective 16th August, 1995, the facility of concessionary financing under the scheme for Financing Locally Manufactured Machinery was made available to Tour Operators also.

(II) The maximum profit to be earned by a financial institution under the scheme for Financing Locally Manufactured Machinery (Local Sales) was raised from 13 per cent to 14 per cent with effect from 29th October, 1995. With the same date the refinance rate charged by the State Bank was also enhanced from 11 per cent to 12 per cent.

(III) On 29th October, 1995 it was decided that Banks/DFIs may earn return/profit at an annualized rate of 14 per cent on finances provided by them for the purpose of establishment of Tourism projects in Hazara Division, Coastal Areas of Pakistan (excluding Karachi) Multan and Sehwan Sharif. The State Bank would pay a subsidy to the Banks/DFIs at the rate of 3.5 per cent per annum.

E. Credit Policy Measures

During 1995-96 the following measures were taken to maintain credit discipline and to avoid hoarding of essential commodities.

(1) On August 7, 1995 it was decided that banks should call back the loans given to sugar mills for working capital. Banks were directed to implement the decision and apprise the State Bank about the progress made in this behalf by 31st August, 1995. However, these instructions were withdrawn with effect from October 23, 1995.

(2) The State Bank decided on September 21, 1995 that no bank would allow its aggregate credit to the public sector corporations during 1995-96 exceed the aggregate outstanding level as on June 30, 1995. Within this constraint, banks would be free to accommodate any individual corporation on merit. It was later observed that some banks had resorted to abnormal credit creation in the month of June, 1995 which inflated the end-June figure. The banks were, therefore, directed on November 19, 1995 to bring their lending to PSEs to end-May, 1995 level. On 11th December, 1995 the chief executives of all commercial banks were advised to ensure that required reduction in the outstanding level of advances to the public sector should take place not later than the end of December, 1995.

(3) Having come to know that some traders/exporters were found indulging in hoarding etc. of rice, the State Bank advised the banks on January 11, 1996 to cancel limit for such traders/exporters whose stocks were showing no movement and obtain data on movement of rice from those traders/exporters whose limits were not cancelled.

(4) With effect from May 13, 1996 banks were directed not to allow advances against the security of onions.

F. Other Policy Measures

(1) To avoid inordinate delays in payment of return to depositors, the State Bank, on November 8, 1995, directed the banks to ensure that return on deposits is declared and paid within 20 days of the closing of the half year concerned.

(2) The State Bank remained deeply concerned about imprudent lending, mounting loan defaults and excessive administrative costs of the Nationalized Commercial Banks and Development Finance Institutions. With a view to intensifying its efforts to effect improvement in these areas, the State Bank decided to take several new initiatives. Top priority was given to controlling administrative cost. For this purpose the Nationalised Banks and Development Finance Institutions were directed on 19th February, 1996 to provide information covering some of the areas of administrative costs not later than March 8, 1996. Failure to provide the information by the above deadline or supply of inaccurate information would invoke the relevant provisions of the Banking Companies Ordinance 1962.

VI. CAPITAL MARKET

During 1995-96, the share prices in the stock market could not recover from the bearish spell of 1994-95. This was largely due to the reduced level of foreign portfolio investment and the tendency of local investors to indulge in profit taking sales. Notwithstanding favourable impact of improved law and order situation in Karachi and several measures announced by the government in December, 1995 the State Bank General Index of Share Prices, which had fallen sharply by 35.6 per cent in 1994-95, declined further by 8.9 per cent during 1995-96. On the other hand, the KSE-100 Index gained by 5.7 per cent in contrast to a steep decline of about 31 per cent last year. The capitalised value of ordinary shares included in the State Bank General Index of share prices was higher by 24.5 per cent in 1995-96 in contrast to a decline of 27.5 per cent during 1994-95. The increase in capitalised value of shares during 1995-96 was to a large extent due to increase in market prices of scrips of some of the companies in the Fuel and Energy and Fertiliser Sectors, such as, Hub Power, Sui Northern Gas Company and Fauji Fertiliser over their level as of end June, 1995. The turnover of shares touched the record level of 5,232.5 million shares during the year. During 1995-96, PTC vouchers and scrips of Hub Power Company Ltd (HUBCO) remained dominant in terms of volume of trading. They together accounted for about 49 per cent of total volume of trading. In the preceding year, PTC vouchers and scrips of Dhan Fibres were the favourite scrips with a share of 40.5 per cent in the total volume of trading. During 1995-96 the net inflow of portfolio investment at US \$ 307 million was lower by US \$ 111 million or 26.6 per cent as compared with US \$ 418 million (excluding PTC vouchers) in the preceding year. Pakistan raised \$150 million through a Floating Rate Note (FRN) Issue in June, 1996. The Notes are listed at Luxembourg Stock Exchange and have a maturity period of 4.5 years. The rate of return on FRN is in the range of LIBOR+2.0 to LIBOR+2.2 per cent. Debt instruments (TFCs) of two companies viz. Packages and Sui Southern Gas were listed at the Karachi Stock Exchange (KSE) during 1995-96. The introduction of these debt instruments is expected to make the securities market more broad-based, besides providing increased opportunities to investors. The resource mobilisation effort of DFIs remained weak and credit extended by these institutions registered a sharp decline during the year.

Developments in the Stock Market

During 1995-96, the combined turnover of shares at the three Stock Exchanges in the country was 7,951.0 million shares or more than twice the turnover of 3,349.1 million shares during the preceding year. The respective shares of Karachi Stock Exchange (KSE), Lahore Stock Exchange (LSE) and Islamabad Stock Exchange (ISE) in total volume of trading were 65.8, 32.3 and 1.9 per cent. The volume of trading at KSE during 1995-96 increased by 2,939.3 million to 5,232.5 million shares, at LSE by 1,605.4 million to 2,564.7 million shares and at ISE

by 57.2 million to 153.8 million shares. The number of listed companies increased by 37 to 783 at KSE, 23 to 640 at LSE, and 28 to 272 at ISE during 1995-96.

Key Indicators of Capital Market

Markets/Institutions	Levels				Percentage Changes			
	1992-93	1993-94	1994-95	1995-96	1992-93	1993-94	1994-95	1995-96
Karachi Stock Exchange								
SBP General Index ¹	161.72	290.23	186.85	170.19	- 14.2	79.5	- 35.6	- 8.9
KSE-100 Index ²	1,264.16	2,333.02	1,611.69	1,703.28	- 18.2	84.6	- 30.9	5.7
Market Capitalisation ³ (Billion Rupees)	214.43	404.58	293.33	365.24	- 1.8	88.7	- 27.5	24.5
Turnover of Shares (Million Numbers)	893.62	1,830.23	2,293.15	5,232.46	23.3	104.8	25.3	128.2
No. of Companies Listed ⁴	652	683	746	783	9.4	4.8	9.2	5.0
Development Finance Institutions								
Deposits ⁵ (Million Rupees)	35,066	38,016	43,740	47,749	18.3	8.4	15.1	9.2
Sanctions ⁶ (Million Rupees)	20,544	23,033	32,073	22,671	- 29.1	12.1	39.2	- 29.3
Disbursements ⁶ (Million Rupees)	19,939	19,102	20,864	16,680	17.3	- 4.2	9.2	- 20.1

¹. End-June Level, Base :1990-91=100. SBP General Index of Share prices is computed on the basis of Mid-day rates at the KSE. It comprises all the ordinary shares categorised into twelve groups. On 30th June, 1996, the number of constituent shares was 745.

².End-June Level, Base :Nov 1991=1000. KSE -100 Index is calculated on the basis of closing rates at the Karachi Stock Exchange (KSE). It covers all the 27 sectors and represents 89.98 per cent of market capitalisation and 81.15 per cent of trading volume.

³. End-June Aggregate Level. ⁴. End-June Figure. ⁵. Outstanding Level of Selected DFIs.

⁶. For term financing.

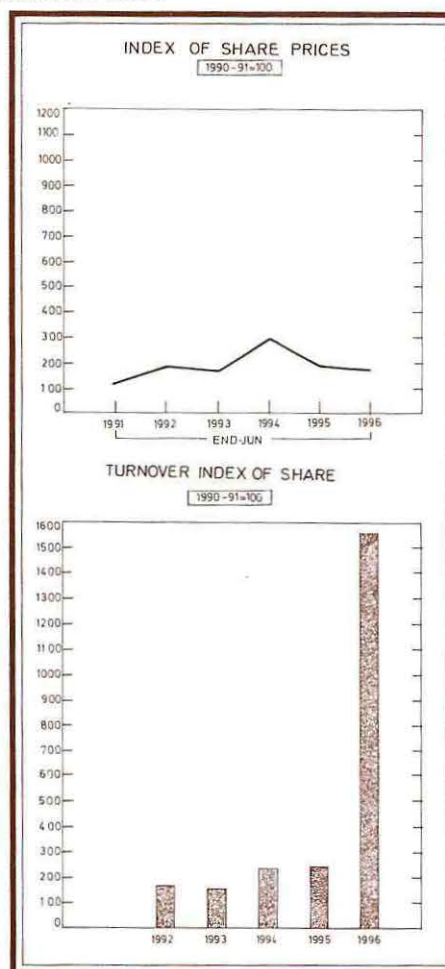
Profile of Three Stock Exchanges in Pakistan

Exchanges	Paid-up Capital (Billion Rupees)			Turnover of Shares (Million Numbers)		
	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96
Karachi Stock Exchange	77.1 (43.9)	118.8 (41.9)	145.0 (41.6)	1,830.2 (81.8)	2,293.2 (68.5)	5,232.5 (65.8)
Lahore Stock Exchange	62.2 (35.4)	99.8 (35.2)	119.4 (34.3)	369.6 (16.5)	959.3 (28.6)	2,564.7 (32.3)
Islamabad Stock Exchange	36.4 (20.7)	65.1 (22.9)	84.1 (24.1)	38.0 (1.7)	96.6 (2.9)	153.8 (1.9)
Total	175.7	283.7	348.5	2,237.8	3,349.1	7,951.0

Note: Figures in parentheses indicate percentage share in total.

Karachi Stock Exchange (KSE)

The Karachi Stock Market showed mixed performance with disparate developments in the various stock market indicators during 1995-96. While the State Bank General Index of Share Prices (1990-91=100) declined by 16.7 points or 8.9 per cent at end June, 1996, the capitalised value of scrips increased from Rs.293.3 billion at the end of June, 1995 to Rs.365.2 billion as of end June, 1996, showing an increase of Rs.71.9 billion or 24.5 per cent in sharp contrast to a decline of Rs.111.3 billion or 27.5 per cent a year earlier. Notwithstanding relatively less trading days (219 days as against 233 days in 1994-95) the volume of turnover during 1995-96 at 5,232.5 million shares was a record compared with 2,293.2 million in the preceding year. During 1995-96 the number of new floatations was 41 as against 60 in 1994-95. Issues oversubscribed were 17 as against 36 in the preceding year while offered at above par value were 11 compared with 19 during 1994-95. Out of 783 listed companies as of end June, 1996, 373 companies or 47.6 per cent declared dividends during 1995-96. In the preceding year out of 746 listed companies as of end June, 1995, 489 companies or 65.5 per cent had declared dividends. During 1995-96, 72 companies offered right issues worth Rs.4.2 billion as compared with 113 companies in 1994-95 which had offered right issues amounting to Rs.6.3 billion. In both years the right issues were fully subscribed.



**Dividend Declaration by the Companies Listed
at the Karachi Stock Exchange (KSE)**

	Dividend	Bonus	Right Shares	Total
1995-96				
No. of Companies Declaring	238	63	72	373
Upto 20 %	115	38	6	159
Above 20 %	123	25	66	214
1994-95				
No. of Companies Declaring	241	135	113	489
Upto 20 %	140	71	16	227
Above 20 %	101	64	97	262

The State Bank General Index of Share Prices (1990-91=100) increased, amidst minor fluctuations, from 186.65 on 29th June, 1995 to 219.51 by 17th August, 1995. A number of factors such as the announcement of a relatively liberal trade policy, the government's decision to ban all off floor dealings by NIT and ICP and better performance of exports during 1994-95 imparted strength to the market sentiment. Thereafter, this upward trend could not be sustained due to profit taking sales by investors. As a result, the Index gradually declined to 187.33 by end October, 1995.

On 28th October, 1995, the value of Pak. Rupee was adjusted downward by 7 per cent in terms of U.S. dollar. This was intended to arrest deterioration in the trade account. Subsequently there was a campaign of disinformation and rumours mongering that State Bank was dishonouring cheques of the government and that due to its vulnerable financial position Government of Pakistan would freeze foreign currency accounts and seal the safety lockers in the banks. These rumours led to nervousness in the financial markets which was aggravated further on 25th November, 1995 when the Central Excise Department of Government of Pakistan sealed the Karachi office of the Emirates Bank International for alleged non-payment of dues. As a result of these developments the Index plummeted to 161.77 by 28th November, 1995, the lowest point during 1995-96. The Karachi office of the said Bank was, however, reopened on 27th November, 1995. This alongwith systematic countering of the rumours by SBP and the Government contained the adverse effect of these developments and the Index gradually rose to 190.42 by end December, 1995.

The Federal Government constituted in December, 1995, a special committee headed by the Chairman of CLA to improve the performance of stock market. The Committee made a number of recommendations both from short-term and long-term perspective. These included: Disinvesting by the Privatisation Commission of the principal amount of shareholding of ICP and NIT in order to improve liquidity position of these institutions, more freedom to autonomous bodies in their investment activities, permission to managements of pension funds, provident

funds and Employees Old Age Benefit Institution (EOBI) funds to invest in shares upto 10 per cent of these funds subject to certain conditions, decision to treat general insurance companies at par with other investors in respect of their investment in secondary market and the consideration by Central Board of Revenue (CBR) of the proposal to allow development expenditure of stock exchanges on research, automation and modernisation as a deductible expense against their taxable income. These recommendations were approved by the Government and exercised a healthy impact on market as the Index, amidst minor fluctuations, rose to 212.97 by 15th February, 1996. Thereafter a declining trend set in the market due in a large measure to profit taking sales coupled with less than sufficient buying support from investors and the index, amidst minor fluctuations, receded to 170.19 by 30th June, 1996. At this level the Index denoted a decline of 16.7 points or 8.9 per cent over its level as of end June, 1995 compared with a decline of 103.4 points or 35.6 per cent in the corresponding period of the preceding year.

**Percentage Changes in Market Capitalisation and
SBP General Index of Share Prices**

Groups	SBP General Index		Market Capitalisation	
	1994-95	1995-96	1994-95	1995-96
Cotton and other Textiles	- 42.8	- 17.2	- 39.8	- 18.5
Textile Spinning	- 40.5	- 19.1	- 40.9	- 14.7
Textile Weaving & Composite	- 49.8	- 17.2	- 54.7	- 20.1
Other Textiles	- 40.0	- 16.2	- 29.2	- 20.2
Chemical and Pharmaceuticals	- 23.1	- 0.0	- 33.9	44.0
Engineering	- 47.0	- 2.3	- 42.1	10.4
Auto and Allied	- 48.5	- 13.4	- 59.9	55.7
Cables and Electrical Goods	- 36.0	20.3	- 41.2	15.3
Sugar and Allied	- 35.7	- 12.8	- 36.4	- 14.9
Paper and Board	- 26.7	- 10.8	- 25.3	- 8.6
Cement	- 49.6	- 55.7	- 29.3	- 17.9
Fuel and Energy	- 28.4	- 8.5	- 3.9	87.0
Transport and Communication	- 49.5	- 9.2	173.6	24.0
Banks and other Financial Institutions	- 42.0	- 39.1	- 42.3	- 4.0
Banks and Investment Companies	- 49.6	- 27.3	- 42.7	- 4.0
Modarabas	- 46.6	- 37.9	- 46.7	- 29.2
Leasing Companies	- 47.2	- 30.8	- 43.2	- 10.5
Insurance Companies	- 31.0	- 8.4	- 34.9	22.0
Miscellaneous	- 22.1	39.3	- 26.3	14.9
Jute	- 34.3	- 8.7	- 50.0	4.0
Food and Allied	- 22.7	4.3	- 25.7	20.1
Glass and Ceramics	- 20.8	- 9.8	- 20.4	- 9.8
Vanaspati and Allied	- 28.0	- 20.5	- 29.5	- 23.3
Others	- 18.1	- 0.8	- 27.4	11.2
SBP General Index/Market Capitalisation	- 35.6	- 8.9	- 27.5	24.5

Market capitalisation of ordinary shares of companies included in the General Index increased by Rs.71.9 billion from Rs.293.3 billion at end June, 1995 to Rs.365.2 billion as of end-June, 1996 in contrast to a fall of Rs.111.3 billion a year earlier. The increase in market capitalisation was largely brought about by increase in market prices of scrips of some of the companies in the Fuel and Energy and Fertiliser sectors. For example, market prices of the shares of Hub Power, Sui Northern Gas Company, Fauji Fertiliser, as of end June, 1996 were higher by 57.3, 36.3 and 23.6 per cent respectively over their level of June, 1995. Four sectors, namely, Fuel and Energy, Chemical and Pharmaceuticals, Financial Institutions and Textiles accounted for 72.4 percent of aggregate market capitalisation in 1995-96 compared with 68.3 percent last year. The top eight companies in terms of market capitalisation during 1995-96 were Hub Power Co. Ltd., Pakistan State Oil Ltd., Fauji Fertiliser Ltd., Sui Southern Gas Company Ltd., Engro Chemical Pakistan Ltd., Sui Northern Gas Pipelines Ltd., ICI Pakistan Ltd., and Lever Brothers Pakistan Ltd. Their combined share in aggregate market capitalisation was 38.2 per cent. During 1994-95 the top eight companies in terms of market capitalisation were Pak. Telecom., Pakistan State Oil Co. Ltd., Fauji Fertiliser Co. Ltd., Hub Power Co. Ltd., ICI Pakistan Ltd., Sui Southern Gas Co. Ltd., Dewan Salman Fibres Ltd., and Engro Chemical Pakistan Ltd. The combined share of market capitalisation of these companies in aggregate market capitalisation was 38.1 per cent. Out of 12 groups of General Index, the share price indices of 9 groups recorded declines in the range of 2.3 -55.7 per cent while 2 groups showed increases of 20.3 and 39.3 per cent. However, the share price index of Chemical and Pharmaceuticals group remained unchanged.

The turnover of shares in the ready section increased by 2,939.3 million to 5,232.5 million shares during 1995-96 as compared with an increase of 463 million during 1994-95. The average daily trading volume which was 9.8 million shares during 1994-95 rose to 23.9 million during 1995-96. The volume of trading touched the peak on 28th March, 1996 when 111.1 million shares changed hands. The top eight companies in terms of volume of trading during 1995-96 were Pak. Telecom, Hub Power Co. Ltd., Dhan Fibres Ltd., Dewan Salman Fibres Ltd., Lucky Cement Ltd., Fauji Fertiliser Ltd., ICI Pakistan Ltd. and Ibrahim Fibres Ltd. Their combined share in total turnover was 57.5 per cent. During 1994-95, the top eight companies in terms of trading volume were PTC Shares, Dhan Fibres, Pakistan Synthetics, Faysal Bank Ltd., Dewan Salman Fibres Ltd., Capital Modaraba, Al-Faysal Bank Ltd. and Tri-Star Power Company Ltd. The combined share of turnover of these companies in total turnover was 54.2 per cent.

With a view to fully capture the overall trend in the market and ensure improvement in the analysis of investment, KSE introduced KSE-All Share Index as well as the sectoral indices in September, 1995 alongwith existing KSE-100 index. KSE-All Share Index reflects the natural weightage of all companies and all sectors comprising the market. The adjustments in the KSE-All Share Index were necessitated by introduction of new companies and the changes in the capital structure of already listed companies. The criterion for inclusion of a company in the Index is the same as that of KSE-100 Index.

Floation of New Issues

The new issues market was comparatively less active during 1995-96 as out of 22 groups/sectors, new issues were offered by 13 groups/sectors as against 18 in the preceding year. The

number of new issues was less than last year in the case of 7 groups/sectors while it was higher than last year in case of remaining 6 groups/sectors. Shares of new companies in Sugar, Auto and Allied, Food and Allied, Vanaspati and Allied, Cables and Electrical Goods, Glass and Ceramics, Modaraba Companies, Private Commercial Banks and Investment/Security Companies were not offered for subscription to the general public. Shares of companies in the 7 groups/sectors viz. Textiles, Engineering, Paper and Board, Synthetic and Rayon, Miscellaneous, Leasing Companies and Mutual Funds were undersubscribed. Group/Sector-wise the extent of undersubscription in percentage terms was as follows: Textiles 78.3, Engineering 89.6, Paper and Board 49.0, Synthetic & Rayon 58.0, Miscellaneous 50.0, Leasing Companies 85.6 and Mutual Funds 32.3. However, shares of companies in the remaining six groups/sectors viz. Cement, Fuel and Energy, Chemical and Pharmaceuticals, Transport and Communication, Investment Banks and Insurance Companies were oversubscribed. Group/Sector-wise, the amount oversubscribed to amount offered in percentage terms was as follows: Cement 0.1, Fuel and Energy 57.4, Chemical and Pharmaceuticals 82.2, Transport and Communications 2,439.6, Investment Banks 430.9 and Insurance Companies 1,509.8. In the preceding year, shares relating to 18 groups/sectors were offered for subscription, out of which shares relating to 14 groups/sectors were oversubscribed. The amount raised through 41 issues during 1995-96 stood at Rs.4.6 billion as compared to Rs.18.4 billion raised through 60 issues last year. This amount was in addition to the indirect equity investment made by the general public through ICP, NIT and Insurance Companies. The proportion of amount raised through KSE to total private fixed investment and private sector credit declined from 11.1 and 4.4 per cent in 1994-95 to 2.2 and one per cent respectively during 1995-96. Public response to the new offerings was, however, enthusiastic, as total subscription amounted to Rs.10.9 billion as against Rs.4.6 billion offered for subscription.

Activities of National Investment Trust Limited (NIT) in the Stock Market.

The scale of operations of National Investment (Unit) Trust during 1995-96 was somewhat lower than last year due to substantial decline in the net sale of units. As an institutional investor the share of NIT in turnover at KSE during the year was only 2.3 percent compared with 6.9 percent in 1994-95. The gross sales of units at Rs.5.40 billion were lower by 33.3 percent compared with Rs. 8.10 billion in 1994-95. Due to substantial increase in re-purchases of units, 97.4 percent in terms of number and 88.8 percent in terms of value, the net sales of units were lower by 61.6 percent. The minimum price of unit at Rs.14.0 during 1995-96 was the same as last year but the maximum price at Rs.15.10 was lower by Rs.0.90 than in 1994-95. The cash dividend declared by NIT was Rs. 1.50 per unit or 10.7 percent as against Rs.2.35 per unit or 16.8 percent in the preceding year. The decline in dividend declared by NIT was attributable to lower capital gains per unit which were Rs.0.88 during 1995-96 as against Rs.1.60 in the preceding year.

During 1995-96 the outstanding level of investment in shares was Rs.7.36 billion as compared with Rs.9.58 billion in the preceding year. The outstanding level of investment in PTCs and TFCs at Rs.50 million was the same as last year. The outstanding level of investment on mark up basis at Rs.120 million was, however, higher than last year's level of Rs.57.5 million.

New Floatations at Karachi Stock Exchange

(Million Rupees)

Groups/Sectors	1994-95			1995-96		
	No. of Issues	Amount Offered	Amount Subscribed	No. of Issues	Amount Offered	Amount Subscribed
Textiles	15	817.4	377.2	6	317.0	68.8
Cement	2	723.0	1,588.4	1	602.7	603.3
Sugar	1	70.5	26.1	-	-	-
Auto and Allied	2	89.7	1,791.5	-	-	-
Engineering	-	-	-	2	47.0	4.9
Fuel and Energy	2	8,275.2	2,944.8	11	1,900.5	2,991.8
Paper and Board	-	-	-	1	20.0	10.2
Chemical and Pharmaceuticals	3	130.0	1,692.6	3	394.4	718.4
Synthetic and Rayon	4	1,263.4	3,096.0	1	50.0	21.0
Food and Allied	1	94.3	4.1	-	-	-
Vanaspati and Allied	-	-	-	-	-	-
Transport and Communication	1	3,000.0	19,158.1	2	78.5	1,993.6
Cables and Electrical Goods	-	-	-	-	-	-
Glass and Ceramics	1	62.0	361.0	-	-	-
Miscellaneous	4	275.0	1,013.3	2	175.0	87.5
Modaraba Companies	2	70.0	73.3	-	-	-
Leasing Companies	6	410.0	1,243.9	2	100.0	14.4
Mutual Funds	8	960.1	3,275.1	3	617.5	418.3
Investment Banks	1	150.0	151.1	2	105.5	560.1
Private Commercial Banks	2	1,520.0	3,679.9	-	-	-
Insurance Companies	2	93.7	1,495.5	5	212.5	3,420.9
Investment/Security Companies	3	335.0	3,520.3	-	-	-
Total	60	18,439.3	45,492.7	41	4,620.6	10,913.0

Capital Market Policies

A number of corporate laws were amended/formulated during 1995-96 to further strengthen the capital market. Issue of capital was liberalised by repealing in July, 1995, the Capital Issues (Continuance of Control) Act, 1947. The task of granting approval for prospectus has now been entrusted to the stock exchanges. However, the dates for the publication of prospectus and opening of subscription are fixed on receipt of approval from the Corporate Law Authority (CLA). Guidelines regarding issue of capital have been issued by Corporate Law Authority (CLA) in the form of Companies (Issues of Capital) Rules, 1996. These new rules are in addition to other corporate laws such as Companies Ordinance, 1984 and the self-regulating rules of Stock Exchanges such as their listing regulations. These rules cover issues such as pricing of issues, terms for right issues, bonus issues and issues of shares for consideration other than cash and are aimed at developing the stock exchanges as self-regulating entities. With a view to curb insider trading the Securities and Exchange Ordinance, 1969 (SEO) was amended. The amended Ordinance prohibited direct or indirect dealing in securities by associated persons in

possession of information which is generally not available to general investors which could materially affect the value of such securities. A mechanism to compensate affected persons who may have suffered losses from such dealings has also been provided in the law. With a view to safeguarding the interest of small investors, a new section has been added in the SEO, 1969 which relates to fictitious and multiple applications made by unscrupulous persons.

Activities of DFIs

The term loans sanctioned and disbursed by DFIs during 1995-96 were lower than in the preceding year. Sanctions of term loans amounting to Rs. 22,670.8 million were lower by Rs.9,402.6 million or 29.3 percent during 1995-96 while disbursements at Rs. 16,680.2 million denoted a decline of Rs.4,184.3 million or 20.1 percent. Medium and long term loans extended by commercial banks increased by Rs. 4,077 million or 43.4 per cent to Rs. 13,469.0 million during 1995-96.

Sanctions, Disbursements (Medium and Long-Term Loans) and Recoveries of Development Finance Institutions

(Million Rupees)

Institutions	1994-95			1995-96		
	Sanctions	Disbursements	Recoveries	Sanctions	Disbursements	Recoveries
National Development Finance Corporation (NDFC)	8,007.5	2,434.6	2,678.0	5,268.0	2,243.9	2,215.9
Pakistan Industrial Credit and Investment Corporation (PICIC)	394.0	747.0	2,079.0	131.0	583.0	2,014.0
Bankers Equity Limited (BEL)	1,212.2	1,024.0	1,560.0	2,008.9	489.0	1,323.0
Industrial Development Bank of Pakistan (IDBP)	1,421.2	566.6	1,049.3	760.8	274.6	1,020.2
Pak-Libya Holding Company (PLHC)	382.4	183.3	567.6	374.0	400.8	532.6
Pak-Kuwait Investment Company (PKIC)	857.7	660.0	191.1	3,401.2	3,267.1	563.6
Saudi-Pak Industrial and Agricultural Investment Co. Ltd. (SAPICO)	1,328.7	463.0	298.3	542.7	285.1	349.6
Investment Corporation of Pakistan (ICP)	134.1	93.6	243.4	130.2	27.0	244.0
Regional Development Finance Corporation (RDFC)	440.1	486.2	271.4	256.0	340.7	339.6
Small Business Finance Corporation (SBFC)	4,681.7	3,720.6	678.3	2,129.2	2,148.5	998.8
National Developing Leasing Corporation (NDLC)	2,521.0	1,164.0	1,217.0	1,883.0	1,289.0	987.0
Agricultural Development Bank of Pakistan (ADBP)	9,636.1	8,336.9	9,810.2	4,498.0	4,192.1	12,758.5
House Building Finance Corporation (HBFC)	1,006.7	972.0	2,592.6	1,267.8	1,129.1	2,258.8
Federal Bank for Cooperatives (FBC)	50.0	12.7	3,547.0	20.0	10.3	3,905.7
Total	32,073.4	20,864.5	26,783.2	22,670.8	16,680.2	29,511.3
Commercial Banks	—	9,392.0	—	—	13,469.0	—
Grand Total	32,073.4	30,256.5	26,783.2	22,670.8	30,149.2	29,511.3

Note: Excluding working capital.

Resource mobilisation effort of DFIs during 1995-96 was weak. The outstanding level of deposits of selected DFIs increased by 9.2 per cent to Rs.47,749 million. The share of NDFC in total outstanding level of deposits as of end-June, 1996 was 45.5 per cent, followed by SAPICO 15.1 per cent, IDBP 14.0 per cent, BEL 9.2 percent and PICIC 8.5 per cent. The combined share of the remaining DFIs i.e. PLHC, NDLC and RDFC was only 7.7 per cent. In the preceding year, the percentage share of NDFC, IDBP, BEL PICIC and SAPICO in the total outstanding level of deposits worked out to 44.1, 14.1, 11.8, 12.1 and 12.8 per cent respectively, while the combined share of remaining DFIs was 5 per cent. An amount of Rs.29,511.3 million was recovered by DFIs during 1995-96 as compared with Rs.26,783.2 million in the preceding year.

Deposits of Selected DFIs

(Million Rupees)

Institutions	1994-95		1995-96	
	Deposits	Percentage Changes	Deposits	Percentage Changes
National Development Finance Corporation (NDFC)	19,297	+ 9.6	21,714	+ 12.5
Pakistan Industrial Credit and Investment Corporation (PICIC)	5,303	+ 4.9	4,061	- 23.4
Bankers Equity Limited (BEL)	5,170	- 3.1	4,389	- 15.1
Industrial Development Bank of Pakistan (IDBP)*	6,182	+ 11.3	6,696	+ 8.3
Pak-Libya Holding Company (PLHC)	50	- 98.3	465	+ 830.0
National Development Leasing Corporation (NDLC)	974	+ 82.4	1,737	+ 78.3
Regional Development Finance Corporation (RDFC)	1,174	+ 37.5	1,480	+ 26.3
Saudi-Pak Industrial and Agricultural Investment Company Limited (SAPICO)	5,590	-	7,207	+ 28.9
Total	43,740	+ 15.1	47,749	+ 9.2

* Excluding Call Deposits.

Activities of Modarabas, Leasing Companies and Investment Banks

The term finance sanctioned by Modarabas, Leasing Companies and Investment Banks increased by 15.7, 15.1 and 52.3 per cent respectively during 1995-96. In the preceding year, the term finance sanctioned by Modarabas had declined by 29.9 per cent while it increased by 41.6 and 657.4 per cent in case of Leasing Companies and Investment Banks respectively. As regards disbursements made by these entities, the disbursements made by Modarabas for term finance which had declined by 17.3 per cent in 1994-95 increased by 17.7 per cent during 1995-96. The disbursements made by Leasing Companies and Investment Banks in 1995-96 were higher by 31.2 and 37.5 per cent as compared with the increases of 28.2 and 889.4 per cent respectively last year. The respective share of Modarabas, Leasing Companies and Investment Banks in the

total sanctions was 7.4, 61.8 and 30.9 per cent as compared with 8.0, 66.8 and 25.2 per cent during 1994-95. In case of disbursements the share of Modarabas was 8.3 per cent that of Leasing Companies 54.7 per cent and that of Investment Banks 36.9 per cent during 1995-96 as compared with 9.4, 55.1 and 35.5 per cent respectively a year earlier.

In the case of working capital loans, both sanctions and disbursements during 1995-96 by these entities were lower than in 1994-95. While overall sanctions declined from Rs.30,264.7 million in 1994-95 to Rs.28,184.7 million or by 6.9 per cent during 1995-96, the disbursements declined by 27.8 per cent from Rs.28,809.6 million to Rs.20,793.8 million in 1995-96.

**Assistance Sanctioned and Disbursed by Modarabas,
Leasing Companies and Investment Banks**

(Million Rupees)

Type of Assistance	1994-95		1995-96	
	Sanctions	Disbursements	Sanctions	Disbursements
Fixed Industrial Financing	15,266.3	14,185.6	19,010.7	18,750.6
Modarabas	1,213.2	1,328.4	1,403.1	1,563.3
Leasing Companies	10,201.0	7,822.1	11,740.8	10,265.2
Investment Banks	3,852.1	5,035.1	5,866.8	6,922.1
Working Capital Loans	30,264.7	28,809.6	28,184.7	20,793.8
Modarabas	3,513.7	3,607.7	2,714.2	2,702.6
Leasing Companies	1,026.9	1,093.2	705.2	733.3
Investment Banks	25,724.1	24,108.7	24,765.3	17,357.9
	Percentage Changes			
Fixed Industrial Financing	61.7	72.7	24.5	32.2
Modarabas	- 29.9	- 17.3	15.7	17.7
Leasing Companies	41.6	28.2	15.1	31.2
Investment Banks	657.4	889.4	52.3	37.5
Working Capital Loans	2.8	- 0.3	- 6.9	27.8
Modarabas	- 23.2	- 18.5	- 22.8	- 25.1
Leasing Companies	- 1.0	8.6	- 31.3	- 32.9
Investment Banks	0.7	2.8	- 3.7	- 28.9

**Financing of Fixed Investment
by Commercial Banks**

The overall gross disbursements of funds for the purpose of financing fixed investment by commercial banks during 1995-96 increased by 43.4 per cent to Rs.13,469 million as compared to a rise of 6.5 per cent at Rs. 9,392 million in 1994-95. The net increase in commercial banks' credit for fixed investment, after accounting for recoveries, amounted to Rs.5,485 million during 1995-96, as compared with an increase of Rs. 4,068 million in the preceding year.

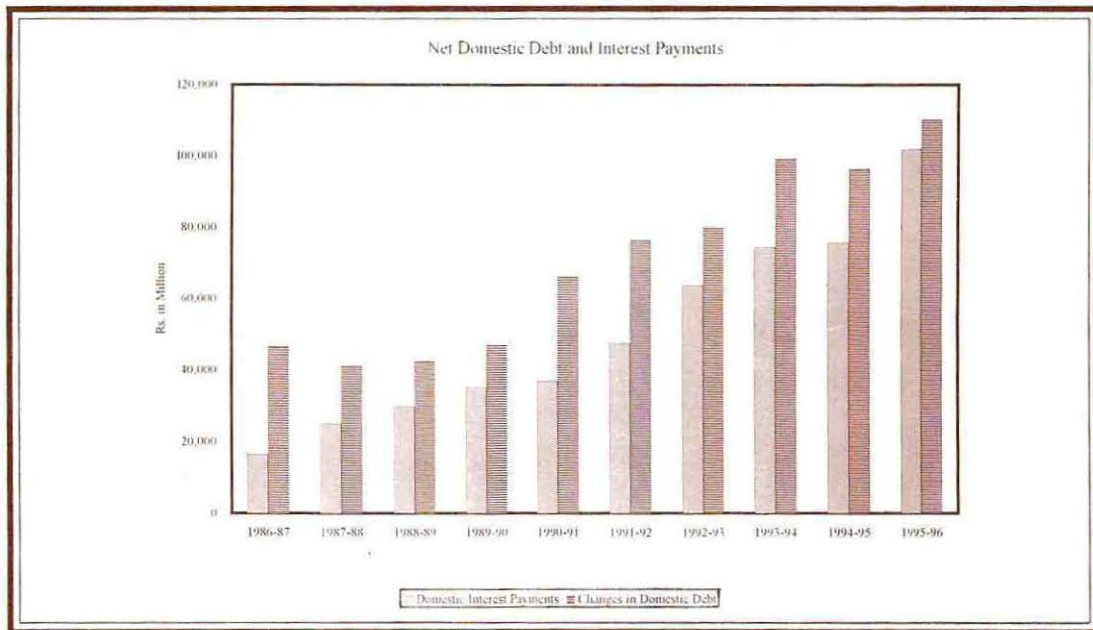
VII. INTERNAL AND EXTERNAL PUBLIC DEBT

Introduction

Large budget deficits in the past several years contributed to the accumulation of very large public debt. This, together with the rising rates of return on domestic debt and a declining share of long-term soft loans from external sources, has led to a sharp increase in interest payments. The financing of large budget deficits through borrowings over an extended period has by now begun to impede the task of reduction of fiscal deficit and the achievement of external sector viability. At the end of June, 1996, the total outstanding domestic debt stood at Rs.908.9* billion or 41.8 per cent of GDP. External debt amounted to Rs.1004.0 billion (\$28.60 billion**) and constituted 46.2 per cent of GDP. Total national debt stood at Rs.1912.9 billion, equivalent to 88.0 per cent of GDP. Debt servicing accounted for 63.2 per cent of the total tax receipts and 46.3 per cent of current expenditures in 1995-96.

Domestic Debt

As on 30th June, 1996, the total outstanding domestic debt amounted to Rs.908.9* billion,



* Provisional.

** Includes short, medium and long-term debt, IMF and foreign private unguaranteed credits.

as compared to Rs.798.6 billion on the corresponding date last year, representing an increase of Rs.110.3[#] billion or 13.8 per cent. Domestic debt as a percentage of GDP was lower at 41.8 per cent on 30th June, 1996 as against 42.8 per cent on the same date last year. Of the total domestic debt, permanent debt stood at Rs.294.7 billion showing an increase of Rs.1.1 billion or 0.4 per cent over the year. Floating debt rose by Rs.67.1 billion or 22.8 per cent to Rs.361.3 billion. Unfunded debt stood at Rs.252.9 billion as against Rs.210.8 billion at the end of June, 1995 reflecting an increase of Rs.42.1 billion or 20.0 per cent. Increases in permanent debt, floating debt and unfunded debt during the preceding year were Rs.25.9 billion, Rs.36.6 billion and Rs.34.1 billion, respectively. Component-wise, permanent debt constituted 32.4 per cent, floating debt 39.8 per cent and unfunded debt 27.8 per cent of the total domestic debt at the end of June, 1996. The data on outstanding domestic debt classified by type of debt instruments are given in statistical annexure 7.5.

During 1995-96 there was a substantial increase in floating debt over the preceding year, mainly in the form of six months Treasury Bills. Government borrowed heavily through six-months Market-Related Treasury Bills (MRTBs) for cash balance replenishment so that their outstanding level rose from Rs.175.6 billion at the end of June, 1995 to Rs.245.3 billion on 30th June, 1996. The other main instruments of borrowing were Defence Saving Certificates (+Rs.20.1 billion), Special Saving Certificates (Registered)/Accounts (+Rs.14.5 billion), Prize Bonds (+Rs.6.3 billion) and Regular Income Certificates (+Rs.4.7 billion). The Government issued Prize Bonds of Rs.25,000 and Rs.10,000 denominations with effect from 15th November and 17th December, 1995 respectively with a view to raise higher amount through this instrument. Out of the total outstanding domestic debt of Rs.908.9 billion, banking sector was holding government debt of nearly Rs.466 billion and the residual of Rs.443 billion was held by the non-bank sector as of 30th June, 1996. Component-wise, the stock of government debt held by the State Bank of Pakistan amounted to Rs.225.6 billion and that of scheduled banks to Rs.240.4 billion as compared to Rs.197.6 billion and Rs.214.4 billion respectively as on 30th June, 1995.

The level of domestic debt and its servicing have been increasing sharply. Consequently, the burden of domestic debt has emerged as a major constraint on fiscal policy. The stock of domestic debt over the past five years has more than doubled, increasing from Rs.445.1 billion in 1990-91 to Rs.908.9 billion by 1995-96. As a ratio to GDP, however, it has declined from 43.6 per cent in 1990-91 to 41.8 per cent in 1995-96. During the past five years government's cumulative net borrowing from internal and external sources at Rs.520.9 billion was 36.7 per cent of government's total revenue receipts of Rs.1,418.0 billion and 46.7 per cent of government's total tax revenue of Rs.1,114.3 billion. Relevant data are given in Table-VII.1.

[#] This amount is not adjusted for Government deposits with the banking system. Government of Pakistan's domestic bank and non-bank borrowing during 1995-96 stood at Rs.53.6 billion and Rs.46.5 billion respectively.

Table-VII.1: Domestic and External Debt

(Rs. in billion)

HEAD	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
Total Debt (1+2)	455.9	521.0	630.5	707.2	821.1	958.1	1,119.6	1,324.1	1,484.4	1,718.8
(1) Domestic Debt	247.3	288.6	331.1	378.3	445.1	521.8	602.4	702.0	798.6	908.9
(2) External Debt* (Long-term)	208.6	232.4	299.4	328.9	376.0	436.3	517.2	622.1	685.8	809.9
Total Debt as % of GDP	79.6	77.1	81.9	82.6	80.5	79.1	83.4	84.2	79.6	79.0
Domestic Debt as % of GDP	43.2	42.7	43.0	44.2	43.6	43.1	44.9	44.6	42.8	41.8
External Debt as % of GDP	36.4	34.4	38.9	38.4	36.8	36.0	38.6	39.6	36.8	37.2
Total Debt Servicing (a+b)	35.8	46.7	57.4	66.1	73.5	91.4	107.9	134.4	154.4	193.1
(a) Total Interest payment (i+ii)	24.0	33.2	39.1	46.7	50.0	62.4	78.8	90.9	97.3	129.1
(i) Domestic	16.6	25.0	29.7	35.3	37.1	47.8	64.1	74.9	76.1	102.3
(ii) Foreign	7.4	8.2	9.4	11.4	12.9	14.6	14.7	16.0	21.2	26.8
(b) Repayment of principal	11.8	13.5	18.3	19.4	23.5	29.0	29.1	43.5	57.1	64.0
Total Debt Servicing as percentage of										
Total Revenue	34.4	39.9	41.3	41.6	44.8	42.2	45.1	49.6	48.6	51.7
Total Expenditure	23.5	25.9	28.5	29.8	28.2	28.4	31.0	36.8	36.1	37.8
Current Expenditure	30.8	34.9	37.5	39.9	37.6	39.7	39.6	45.8	44.6	46.3

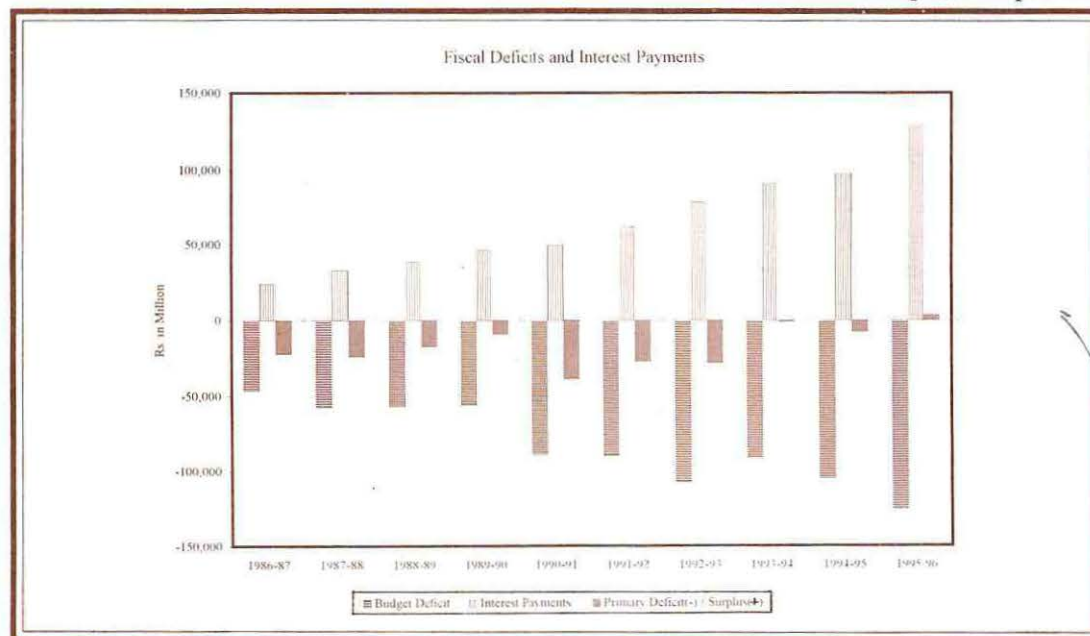
* Public and Publicly guaranteed.

Source: (1) Ministry of Finance, Government of Pakistan.

(2) State Bank of Pakistan.

Domestic Debt Servicing

Interest payments on the domestic debt during 1995-96 amounted to Rs.102.3 billion which were 33.5 per cent of the total tax revenue, 27.4 per cent of total revenue receipts, 24.5 per cent



of current expenditure and 20.0 per cent of total expenditure. These percentages have shown a substantial rise over the past ten years. In 1986-87, domestic debt servicing payments were 20.0 per cent of the tax revenue, 16.0 per cent of the total revenue receipts, 14.3 per cent of the current expenditure and 10.9 per cent of total expenditure. Data are given in Table-VII.2.

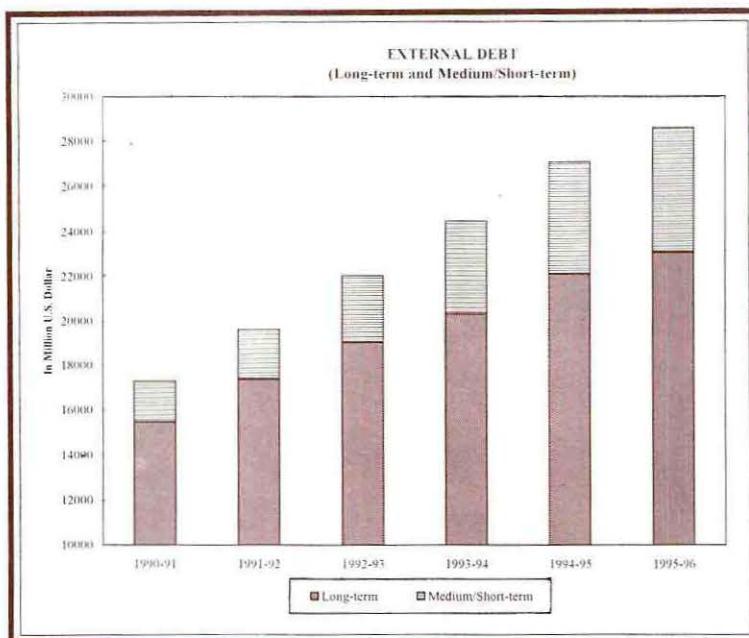
Table-VII.2: Domestic Debt Servicing

Period	Domestic Debt Servicing (Rs. in billion)	Domestic Debt Servicing as per cent of				GDP
		Total Revenue	Total Expenditure	Current Expenditure	Tax Revenue	
1985-86	13.36	14.8	9.9	14.1	18.4	2.6
1986-87	16.58	16.0	10.9	14.3	20.0	2.9
1987-88	25.00	21.4	13.8	18.7	26.7	3.7
1988-89	29.70	21.3	14.8	19.4	26.9	3.9
1989-90	35.30	22.2	15.9	21.3	29.6	4.1
1990-91	37.10	22.6	14.2	19.0	28.6	3.6
1991-92	47.78	22.1	14.9	20.9	29.1	3.9
1992-93	64.14	26.8	18.4	23.5	35.9	4.8
1993-94	74.88	27.7	20.5	25.5	35.9	4.8
1994-95	76.08	23.9	17.8	22.0	29.5	4.1
1995-96	102.28	27.4	20.0	24.5	33.5	4.7

Source: Ministry of Finance, Government of Pakistan.

External Debt

Financing of large current account deficit over the years led to sharp increase in the size of external debt together with a relatively low level of reserves. Pakistan's total external debt¹ (disbursed and out-standing) which had aggregated \$27.07 billion at the end of June, 1995 is estimated to rise to \$28.60 billion at the end of June, 1996. Addition to external debt during the year was of the order of \$1.53 billion, representing a growth of 5.7 per cent which was virtually half the rate of growth recorded both in 1994-95 and the average of the five years ended 1995-96. The rate of growth in medium/short-term debt



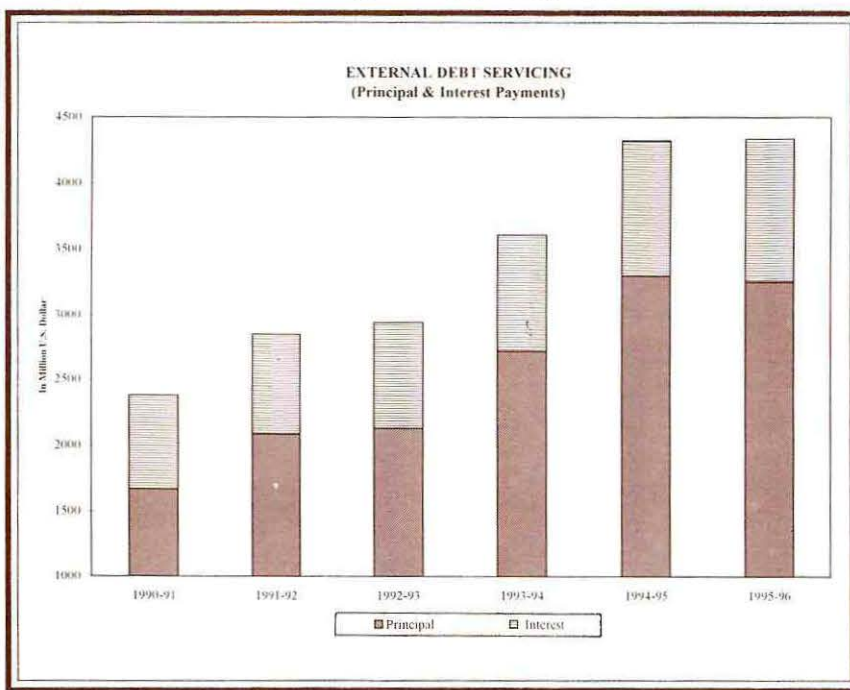
1 Includes short, medium and long-term debt, IMF and foreign private unguaranteed credits.

was almost three times the rate of growth in long-term debt during both in 1995-96 and the five-year period ended 1995-96. The slower growth in the external debt was mainly attributable to lower disbursements and higher amortization payments under long-term loans and lower disbursements in the case of medium and short-term loans. Disbursements of long-term loan, for which separate data are available, declined by 3.3 per cent to \$2,513 million during 1995-96 as against a rise of 2.0 per cent recorded in 1994-95. The ratio of external debt to GDP declined from 44.8 per cent in 1994-95 to 44.1² per cent in 1995-96 due both to higher growth of GDP in nominal terms during 1995-96 and smaller increase in external debt, compared to the preceding year. Of the total out-standing debt, \$23.07 billion or 80.7 per cent was in the form of long-term debt and balance of \$5.53 billion or 19.3 per cent in the form of short/medium-term debt.

A prominent feature of country's external debt profile is that the share of long-term loans showed a steady decline from 89.5 per cent in 1990-91 to 80.7 per cent in 1995-96 while that of medium and short-term debt rose from 10.5 per cent to 19.3 per cent over the same period, reflecting declining share of concessional assistance. Thus, with the passage of time the concessional source of financing shows a declining trend and is being increasingly substituted by short-term loans. Net transfers as percentage of gross disbursements (long-term loans) which were 36 per cent in 1990-91 declined steadily to 16 per cent during 1995-96.

External Debt Servicing

Debt service payments, which had been showing a sharply rising trend both in absolute and percentage terms in recent years, are estimated to increase marginally by 0.3 per cent to \$4,336 million during 1995-96 compared with a rise of 19.7 per cent in 1994-95, reflecting lower repayments of principal, particularly of short-term loans (less than one year) from commercial banks. Repayments of principal which represented 75.1



2 This ratio may not tally with the one given in the introduction and Selected Macro-Economic Indicators because of exchange rate changes.

per cent of the total debt service payments are estimated to come down by 1.4 per cent to \$3,257 million during 1995-96 in contrast to an increase of 21.4 per cent recorded in the last year. Interest payments are, however, expected to rise by 5.8 per cent to \$1,079 million and would constitute 24.9 per cent of the total service payments of external debt. Ratio of debt service payments to export earnings and foreign exchange earnings also declined from 55.7 per cent and 34.9 per cent respectively in 1994-95 to 52.2 per cent and 33.9 per cent in 1995-96 as a result of virtually stagnating debt service payments and moderate increase in exports and foreign exchange earnings. Major indicators of external debt during 1990-91 through 1995-96 are given in Table-VII.3.

Table-VII.3: External Debt

(Million US dollars)

Years	Total Debt Outstanding*			Debt Servicing [§]									Total Debt as per cent of GDP (MP)	Debt Servicing as per cent of	
	Long-Term	Short/Medium-Term [@]	Total	Long-Term			Short/Medium-Term [#]			Total				Export Earnings	Foreign Exchange Earnings
				Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total			
1990-91	15,471 (89.5)	1,824 (10.5)	17,295	806	538	1,344	863	173	1,036	1,669 (70.1)	711 (29.9)	2,380	37.9	40.3	24.2
1991-92	17,361 (88.4)	2,268 (11.6)	19,629	942	595	1,537	1,144	172	1,316	2,086 (73.1)	767 (26.9)	2,853	40.3	42.2	24.9
1992-93	19,044 (86.4)	3,002 (13.6)	22,046	1,013	652	1,665	1,117	162	1,279	2,130 (72.4)	814 (27.6)	2,944	42.7	43.4	27.4
1993-94	20,322 (83.0)	4,160 (17.0)	24,482	1,116	676	1,792	1,606	214	1,820	2,722 (75.4)	890 (24.6)	3,612	47.0	54.0	33.4
1994-95	22,117 (81.7)	4,955 (18.3)	27,072	1,334	760	2,094	1,970	260	2,230	3,304 (76.4)	1,020 (23.6)	4,324	44.8	55.7	34.9
1995-96 E	23,075 (80.7)	5,528 (19.3)	28,603	1,373	800	2,173	1,884	279	2,163	3,257 (75.1)	1,079 (24.9)	4,336	44.1	52.2	33.9
Growth Rates															
1991-92	12.2	24.3	13.5	16.9	10.6	14.4	32.5	-0.8	27.0	25.0	7.8	19.9			
1992-93	9.7	32.4	12.3	7.5	9.6	8.3	-2.4	-5.7	-2.8	2.1	6.2	3.2			
1993-94	6.7	38.6	11.0	10.2	3.7	7.6	43.8	32.2	42.3	27.8	9.4	22.7			
1994-95	8.8	19.1	10.6	19.5	12.4	16.9	22.7	21.4	22.5	21.4	14.6	19.7			
1995-96 E	4.3	11.6	5.7	2.9	5.3	3.8	-4.4	7.3	-3.0	-1.4	5.8	0.3			

Note: Figures in parentheses represent percentage share in total.

Source: Statistics Department, State Bank of Pakistan.

* = End-June basis.

§ = Fiscal year basis.

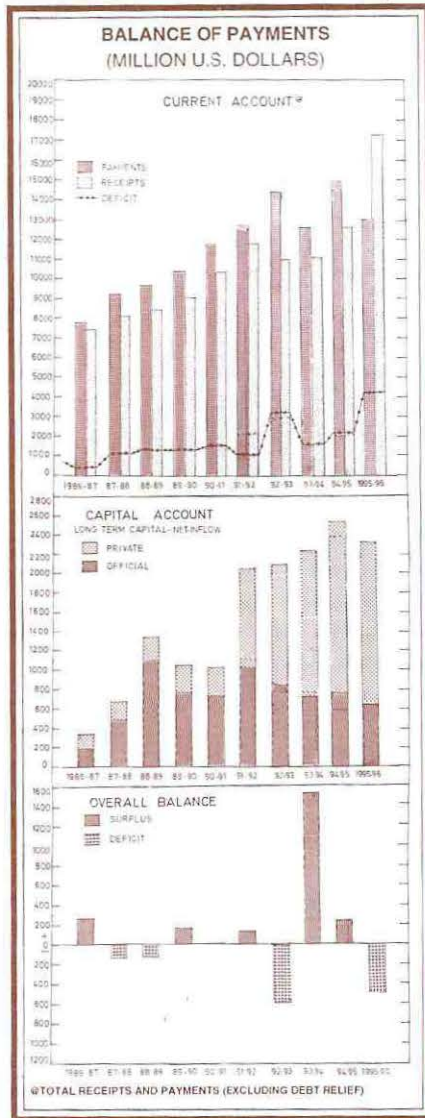
@ = Includes IMF and foreign private unguaranteed credits.

= Includes debt servicing of IMF, IDB, foreign private unguaranteed and commercial banks' credits.

E = Estimates.

second half of 1995-96. Liquid foreign exchange reserves* also improved from \$1.04 billion on 21st November, 1995 to \$2.1 billion at end-June, 1996.

For the year as a whole, the current account deficit is estimated to have widened from 3.6 per cent of GDP in 1994-95 to 6.6 per cent of GDP during 1995-96. This was due mainly to an



upsurge in imports, partly a reflection of excess demand in the economy, liberalised import policy, shortfall in workers' remittances and higher service payments. Meanwhile, the net inflows under capital account (inclusive of all short/long-term capital) increased over the year, reflecting sharp rise in inflows under FCAs (non-resident), official short-term capital (including Government Bonds), private direct foreign investment and higher disbursements under project/food aid. Liquid foreign exchange reserves which had come under pressure in the first half of the year, recovered partially thereafter.

Exports (FOB)** , after registering a strong growth in 1994-95, depicted a moderate increase of 7.0 per cent during 1995-96 as a combined result of improvement in prices and quantum of exports of several commodities. The overall rise in the value of exports which stemmed largely from higher exports under raw cotton, cotton fabrics, bed wear, rice, towels and cotton yarn was substantially offset by lower exports notably of synthetic textiles, leather manufactures, petroleum products and sports goods. Exports financed 69.4 per cent of imports in 1995-96 as compared to 75.4 per cent in the preceding year. Imports (FOB), on the other hand, rose sharply by 16.2 per cent in 1995-96 – substantially higher than target but were lower than the growth recorded in 1994-95. The overall increase in the value of imports was concentrated largely in chemicals, petroleum and petroleum products, iron and steel, power generating machinery, electrical machinery and appliances and wheat. Items showing fall in imports included: edible oils, textile machinery, air crafts and ships/boats, construction and mining machinery, synthetic fibre and tea. The

rise in imports was due in part to higher prices of almost all the major items, except tea and higher quantum of imports notably of fertilizers, iron and steel including scrap, petroleum products and

(*) The figure of Liquid Foreign Exchange Reserves may not tally with the figure given in Statistical Annure (Table 8.3) because the former do not include balances with ADs, ACU and pending transfer from Reserve Bank of India.

(**) Foreign trade analysis in the subsequent sections on exports and imports is based on Customs data, compiled by the Federal Bureau of Statistics, and may not tally with the balance of payments data compiled by the State Bank of Pakistan, because of difference in valuation, timing and coverage of transactions.

plastic materials. Thus as a result of both much higher rate of growth (persistent inflation) and wider base of imports than exports, trade gap widened over the year by 44.5 per cent to a record of \$3.7 billion during 1995-96. The terms of trade index (base 1980-81=100) continued to improve for the third year in succession and improved further by 2.2 per cent due entirely to a rise of 12.7 per cent in export unit value index which more than offset 10.4 per cent increase in import unit value index.

The deficit on services account widened by 33.5 per cent to \$3.2 billion during 1995-96 due mainly to enlarged payments on account of interest on foreign debt and freight charges. Receipts from workers' remittances, after registering a sharp growth of 29 per cent in 1994-95, declined by 21.7 per cent during 1995-96 – a shortfall of 23.1 per cent or \$439 million over the Annual Plan projections. Official transfers also stood lower by 33.3 per cent over the preceding year. Resident foreign currency deposits, on the other hand, registered a marked increase of 100.3 per cent in sharp contrast to a decline of 49.3 per cent in 1994-95. Thus, under the combined impact of larger increase in imports than in exports, substantial rise in service payments and short fall in remittances, the current account showed a deficit of \$4.2 billion during 1995-96, which was much higher than the targeted level of \$2.9 billion and compared with \$2.2 billion in the preceding year.

Net inflow under long-term capital amounting to \$2.3 billion during 1995-96 was 8 per cent lower than last year. Net inflow under private capital, which had risen to a record level in 1994-95 reflecting the impact of sale proceeds of PTC vouchers under portfolio investment, contributed \$1.7 billion during 1995-96. A noteworthy development was that flow of foreign direct investment in Pakistan which averaged \$337 million in the preceding five years ended 1994-95, registered sharp increase during 1995-96 and more than doubled from the previous year's level to stand at \$1.1 billion. Despite larger disbursements both under project and food aid, the net inflow under official capital depicted a decline of 13.1 per cent, due entirely to lower commodity aid and somewhat higher amortization payments. Meanwhile, other official short-term capital (including Government Bonds) depicted a net inflow of \$81 million in contrast to a net outflow of \$430 million in the preceding year. The net inflow under foreign currency deposits (non-residents) more than trippled from \$270 million in 1994-95 to \$967 million during 1995-96. The overall balance indicated a deficit of \$450 million during 1995-96 in contrast to a surplus of \$238 million in the preceding year.

The liquid foreign exchange reserves, which had risen to \$2,736.7 million (17.7 weeks of cash imports) at the end of June, 1995 came under pressure in the first half of the fiscal year and fell to \$1,038.6 million on November 21, 1995. Subsequently, these started improving and rose to \$2,065.3 million at the end of June, 1996 and were sufficient to finance 11.1 weeks of cash imports.

Current Account

Despite a moderate growth in exports and increase in inflows under resident FCAs, the current account deficit at 6.6 per cent of GDP during 1995-96 stood higher than both the actual deficit of 3.6 per cent in 1994-95 and the targeted level of 4.4 per cent (Table VIII.1). This

Table-VIII.1: Pakistan: Balance of Payments

(Million U.S. Dollars)

I T E M S	1991-92	1992-93	1993-94	1994-95	1995-96 ^P
I. Trade Balance	- 2,236	- 3,267	- 2,000	- 2,537	- 3,666
Exports (f.c.b.)	6,762	6,782	6,685	7,759	8,300
Imports (f.c.b.)	- 8,998	- 10,049	- 8,685	- 10,296	- 11,966
II. Services (Net)	- 2,224	- 2,748	- 2,355	- 2,384	- 3,183
Receipts	1,581	1,628	1,720	2,150	2,084
Payments	- 3,805	- 4,376	- 4,075	- 4,534	- 5,267
Shipment	(- 734)	(- 880)	(- 784)	(- 918)	(- 1,027)
Interest-Official Debt	(- 713)	(- 834)	(- 860)	(- 953)	(- 996)
Others	(- 2,358)	(- 2,662)	(- 2,431)	(- 2,663)	(- 3,244)
III. Unrequited Transfers (Net)	3,555	2,684	2,704	2,758	2,605
Private	3,114	2,327	2,390	2,437	2,391
Of which:					
Home Remittances	1,468	1,562	1,446	1,866	1,461
Foreign Currency Accounts—					
Resident	1,318	543	752	381	763
Official*	441	357	314	321	214
IV. Current Account Balance* (I through III)	- 905	- 3,331	- 1,651	- 2,163	- 4,244
V. Long-term Capital (Net)	2,068	2,091	2,221	2,542	2,340
(a) Official Capital	1,036	857	783	753	654
Disbursement of Loans/Credits	2,012	2,145	2,250	2,296	2,332
Project	(1,464)	(1,630)	(1,683)	(1,820)	(1,899)
Food	(282)	(309)	(251)	(258)	(410)
Commodity	(266)	(206)	(316)	(218)	(23)
Amortization	- 941	- 1,299	- 1,457	- 1,672	- 1,685
Others	- 35	11	- 10	129	7
(b) Private Capital	1,032	1,234	1,438	1,789	1,686
Foreign Investment	562	447	649	1,529	1,311
Loans/Credits	454	503	366	244	388
Others	16	284	423	16	- 13
VI. Outstanding Export Bills	- 251	- 360	- 192	- 177	5
VII. Errors and Omissions Including Other Short-Term	- 9	71	168	- 73	91
VIII. Balance Requiring Financing (IV through VII)	903	- 1,529	546	129	- 1,808
IX. Financing	- 773	940	1,039	109	1,358
Debt Relief/Cancellation	9	4	—	—	—
Medium and Short-Term Loans (Net)	- 298	273	422	269	310
Other Official Short-Term Including Government Bonds	- 270	424	- 76	- 430	81
Deposits under Foreign Currency Accounts	- 214	239	693	270	967
X. Overall Balance (VIII+IX)	130	- 589	1,585	238	- 450
XI. Changes in Reserves (Increase -)	- 130	589	- 1,585	- 238	450
Use of Fund Credits (Net)	222	77	297	95	36
Foreign Exchange (Central Bank and Deposit Money Banks)	- 352	512	- 1,882	- 333	414

(*) : Excludes Debt Relief.

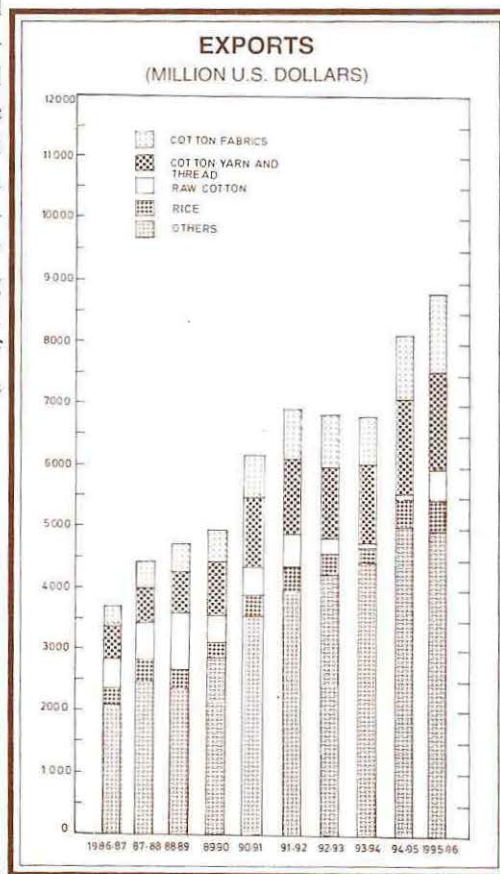
(p) : Provisional.

Source: State Bank of Pakistan.

resulted largely from higher imports, enlarged service payments notably interest on debt and freight charges (which in turn reflected rising debt burden and increased imports respectively) and lower than projected receipts from home remittances. The merchandise account which had worsened in the first half of 1995-96 due to sharp rise in imports and stagnation in exports improved significantly in the second half, reflecting a rise in exports and deceleration in growth of imports as a result of various corrective measures taken by the Government. Nevertheless, the trade gap widened by 44.5 per cent to \$3.7 billion during 1995-96 exclusively on account of a large rise of 16.2 per cent in imports (FOB) although it was partly neutralized by an increase of 7.0 per cent in exports (FOB). The widening of the deficit under services account by 33.5 per cent to \$3.2 billion emanated mainly from large payments, particularly under investment income (consisting mainly of interest payments) of \$2.1 billion, shipment (largely freight charges) of \$1.03 billion and other goods, services and income of \$853 million. Meanwhile, the flow of workers' remittances which had improved by 29 per cent in 1994-95, dropped by 21.7 per cent to \$1.5 billion. Inflow during the past five years had averaged \$1.64 billion. The fall was largely accounted for by decline in international prices of oil with bearing on the level of economic activity in the Middle Eastern region and substitution of Pakistani workers by other nationals. However, the loss in remittances was neutralized almost wholly by enhanced inflows under resident foreign currency accounts by 100.3 per cent to \$763 million during 1995-96. Inflows under official transfers continued to decline and came down gradually from a peak of \$604 million in 1990-91 to \$214 million during the year under report.

Exports*

Exports (based on customs data) which had registered a sharp growth of 19.5 per cent in 1994-95, depicted a slower growth of 7.9** per cent to \$8.8 billion during 1995-96. These had recorded an annual average growth of 10.9 per cent during the past five years ended 1994-95. Exports suffered a setback in the first half of the year mainly because of loss of competitiveness of Pakistani products in the international markets in the wake of devaluation of Rupee by India, our major competitor in the world markets, strengthening of U.S. dollar in terms of currencies included in the Rupee basket



(*) Foreign Trade data used in the Chapter have been converted by using annual average of SBP Spot Buying rate for ADs for exports (Rs.33.483252 per U.S. dollar) and Spot Selling rate in the case of imports (Rs.33.650668 per U.S. dollar) and may not tally with those given in Statistical Annexures.

(**) Exports (FOB), based on Exchange record and compiled by the State Bank of Pakistan, increased by 7 per cent to \$8,300 million during 1995-96.

and relatively higher rate of inflation in Pakistan. Adoption of policy measures, especially 7 per cent devaluation of the Rupee in terms of U.S. dollar and introduction of two incentive packages for textile and non-textile sectors together with improvement in the Export Finance Scheme in October, 1995 gave stimulus to exports, which picked up sharply and recorded significant growth of 18.6 per cent in the second half of the year in sharp contrast to a fall of 4.9 per cent in the first half of 1995-96. Important factors contributing to rise in exports were: (a) revival of raw cotton exports in the wake of good cotton crop and its spin-off effect on cotton manufactures, (b) significant increase in the export unit value index, reflecting better export prices of most of the major items notably rice, guar and guar products, and all cotton-based manufactures except yarn and (c) increased competitiveness in the international market through adjustment in the cost and price structure that ensured the comparative advantage to Pakistani products in the international markets. The increase of \$764.4 million (in a category of 32 selected items of exports for which price and quantum data are available, covering 85.3 per cent of total exports) was the combined result of the net positive quantum effect of \$517.9 million and the net positive price effect of \$246.5 million. The quantum of most of the major export items, notably of raw cotton, bed wear, surgical instruments, towels, cotton fabrics and guar and guar products, increased whereas prominent declines were recorded by vegetables, petroleum products, synthetic textiles, rice, leather and hosiery. Average export prices were generally higher, notably in the case of vegetables, guar and guar products, rice, fruit and fruit preparations, hosiery and ready-made garments. Some major items showing fall in prices included: raw cotton, fish and fish preparations, petroleum products and carpets and rugs. The composition of exports in terms of economic categories showed that the share of primary commodities increased markedly from 11.2 per cent in 1994-95 to 16.2 per cent in 1995-96 mainly due to sharp rise in the exports of raw cotton and rice while those of semi-manufactures and manufactured goods declined from 24.9 per cent and 63.9 per cent to 21.7 per cent and 62.1 per cent respectively (Table-VIII.2).

Table-VIII.2: Economic Classification of Exports

(Million U.S. Dollars)

CATEGORY	1991-92		1992-93		1993-94		1994-95		1995-96	
	Value	%Share	Value	%Share	Value	%Share	Value	%Share	Value	%Share
1. Primary Commodities	1,317.3 (14.1)	19.0	1,009.4 (- 23.4)	14.8	708.7 (- 29.8)	10.4	913.5 (28.9)	11.2	1,429.1 (56.4)	16.2
2. Semi-Manufactures	1,482.2 (- 1.9)	21.4	1,410.0 (- 4.9)	20.6	1,620.2 (14.9)	23.7	2,035.0 (25.6)	24.9	1,905.5 (- 6.4)	21.7
3. Manufactured Goods	4,130.2 (17.4)	59.6	4,418.1 (7.0)	64.6	4,501.3 (1.9)	65.9	5,213.4 (15.8)	63.9	5,468.0 (4.9)	62.1
Total Exports	6,929.7 (12.1)	100.0	6,837.5 (- 1.3)	100.0	6,830.2 (- 0.1)	100.0	8,161.9 (19.5)	100.0	8,802.9 (7.9)	100.0

Note: Figures in parentheses represent growth rates.

Source: Federal Bureau of Statistics.

Exports of cotton and cotton-based products during 1995-96 amounted to \$5,458.7 million, recording an increase of 18.1 per cent over the preceding year. The share of cotton and cotton-based products in total exports also improved to 62 per cent during 1995-96, compared with 56.6 per cent a year earlier. After low level of export earnings in three successive years, exports of raw cotton during 1995-96 increased markedly to \$520.3 million as compared to low level of \$62.5 million in 1994-95. Despite a 17 per cent fall in average export price the rise in the value of raw cotton exports resulted exclusively on account of increase in the quantum of exports to 1.83 million bales in the wake of bumper cotton crop which showed a rise of 22.2 per cent to 10.63 million bales during 1995-96. The bumper cotton crop during 1995-96 resulted from an increase in area under cotton crop and effective plant protection measures which contributed to rise in yield per acre. To encourage value addition in textile industry, customs duties on certain spinning items were reduced and tariff structure on import of machinery was also reduced from the range of 15-70 per cent to 10-45 per cent. Besides, a special package of incentives was announced for the textile industry in October, 1995 to provide a level playing field for textile sector and removal of procedural bottlenecks for textile exports. Despite the above, exports of cotton manufactures, as a group, increased by 8.3 per cent compared with a marked rise of 21.9 per cent in 1994-95. The slow growth in cotton manufactures, among other factors, was attributable to the substantial rise in the prices of cotton yarn in the local market which resulted in reduced earnings of the weaving sector. Production and exports of ready-made garments, as a result, also came under pressure.

Exports of leather and leather manufactures, as a group continued to remain depressed for the last two years. Their exports fell by 4.3 per cent to \$595.3 million during 1995-96 as compared to a rise of 1.3 per cent in 1994-95. Despite a rise of 5.1 per cent in the average export price of leather, the fall in export earnings from leather resulted exclusively on account of lower quantum of exports (-9.2 per cent). Exports of leather manufactures also registered a fall of 4.2 per cent to \$334.7 million during 1995-96. Exports of carpets and rugs which had increased sharply by 30.5 per cent in 1994-95 depicted a much slower growth of 7.2 per cent during 1995-96. In addition to fall in average export prices their exports also appear to have been affected by restrictions on imports from Pakistan by some countries on the issue of employing child labour in the industry.

Exports of major food items (comprising rice, fish, fruits and vegetables) indicated a smaller increase of 7.6 per cent during 1995-96 compared to a rise of 45.9 per cent in 1994-95, reflecting lower exports of fish and fish preparations. Exports of fish and fish preparations declined by 9.2 per cent to \$140.4 million due entirely to a fall of 13.5 per cent in its average export price. Their exports were also adversely affected to some extent by the U.S. Government embargo on shrimps import from all those countries (including Pakistan) using mechanical nets for shrimps' trawlers and black-listing of some Pakistani exporters on the issue of bacteria elements. Rice which is an important source of export earnings and a dominant item within the food group, registered a smaller increase of 12.3 per cent, compared to a sharp rise of 87.3 per cent in 1994-95. The slower growth in exports of rice was attributable entirely to fall in the quantum of exports (-13.6 per cent) as their average export price registered a sharp rise of 30 per cent (Table-VIII.3).

Table VIII.3: Major Exports

(Million U.S. Dollars)

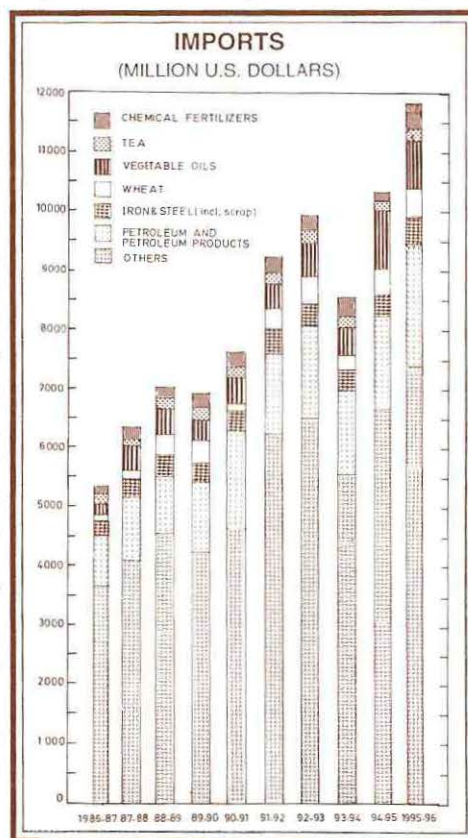
I T E M S	1991-92	1992-93	1993-94	1994-95	1995-96	Change in 1995-96 over 1994-95	
						Abso- lute	Percent- age
1. Cotton & Cotton Based Productts	4,132.7	3,959.9	3,822.2	4,623.6	5,458.7	835.1	18.1
a) Raw Cotton	522.3	270.4	79.2	62.5	520.3	457.8	732.1
b) Cotton Manufactures	3,610.4	3,689.5	3,743.0	4,561.1	4,938.4	377.4	8.3
(i) Cotton Yarn	1,177.1	1,127.2	1,265.5	1,533.5	1,557.9	24.4	1.6
(ii) Cotton Fabrics	822.1	866.4	823.9	1,084.5	1,292.6	208.1	19.2
(iii) Bed wear	284.7	351.2	286.0	341.2	425.4	84.2	24.7
(iv) Ready-made Garments	615.5	621.3	614.3	643.5	656.0	12.6	2.0
(v) Hosiery	426.6	466.2	510.8	690.5	707.7	17.2	2.5
(vi) Towels	137.1	139.3	129.4	145.1	175.3	30.1	20.8
(vii) Others	147.3	117.9	113.1	122.8	123.5	0.7	0.6
2. Major Food Items	587.6	553.0	456.0	665.3	715.6	50.2	7.6
(a) Rice	417.2	317.2	243.3	455.8	511.9	56.2	12.3
(b) Fish & Fish Preparations	115.1	182.8	154.4	154.7	140.4	- 14.3	- 9.2
(c) Fruit & Fruit Preparations	47.0	45.6	46.2	45.0	52.7	7.7	17.2
(d) Vegetables	8.3	7.4	12.2	9.8	10.5	0.7	7.6
3. Leather & Leather Manufactures	576.1	621.9	614.5	622.2	595.3	- 26.9	- 4.3
(a) Leather	241.7	222.8	225.1	273.0	260.6	- 12.4	- 4.5
(b) Leather Manufactures	334.4	399.1	389.4	349.2	334.7	- 14.5	- 4.2
4. Other Major Exports	1,633.3	1,702.7	1,937.4	2,250.9	2,033.0	- 217.9	- 9.7
(a) Synthetic Textiles	419.8	505.1	651.8	576.7	461.0	- 115.7	- 20.1
(b) Sports Goods	141.8	132.2	200.4	265.3	250.1	- 15.2	- 5.7
(c) Carpets & Carpeting Rugs	230.4	174.7	152.3	198.8	213.0	14.2	7.2
(d) Surgical Instruments	90.9	102.7	93.7	114.2	128.2	14.1	12.3
(e) Others	750.4	788.0	839.2	1095.9	980.7	- 115.2	- 10.5
Total Exports	6,929.7	6,837.5	6,830.2	8,161.9	8,802.6	640.7	7.9

Source: Federal Bureau of Statistics.

As regards destinational pattern of exports, Asia continued to remain the largest buyer of Pakistani goods and its share in total exports increased from 40.5 per cent in 1994-95 to 43.1 per cent in 1995-96. Exports to Asia increased by 14.8 per cent compared with a rise of 16.1 per cent last year. The share of Western Europe came down to 30.2 per cent from 32.2 per cent in the preceding year. The share of North America also came down from 18.2 per cent to 17.0 per cent. The share of Eastern Europe, however, moved up from 1.1 per cent to 1.6 per cent. Country-wise break-up revealed that the U.S.A remained the largest export market of Pakistani goods, accounting for 15.5 per cent of total exports, followed by Hong Kong (9.1 per cent), Germany (6.8 per cent), Japan (6.6 per cent), U.K. (6.4 per cent), Dubai (4.7 per cent) and South Korea (3.2 per cent). The combined share of these seven countries, increased from 50.9 per cent in 1994-95 to 52.3 per cent in 1995-96.

Imports

Imports (compiled by the Federal Bureau of Statistics from Customs data which are on CIF basis) increased by 13.9* per cent to \$11.8 billion during 1995-96 as compared to a sharp rise of 21.5 per cent in the preceding year but stood lower than the revised target of \$12.2 billion for 1995-96 (Table-VIII.4). The deceleration in import growth over the preceding year was achieved through adoption of certain corrective measures notably devaluation of the Pak. Rupee, imposition of regulatory duty on imports and adjustment in POL prices which effectively arrested the acceleration in imports, witnessed in the first half of the year largely in the wake of wide spread rumours of Rupee devaluation and reduction in the maximum rate of tariff from 70 per cent in 1994-95 to 65 per cent in 1995-96, and brought it down to 6.7 per cent in the second half of the year. Moreover, the decline in prices of certain major import items like tea, iron and steel scrap and spices also helped in containing the import bill. An analysis of change in the value of imports due to change in quantity and unit value revealed that the net rise of \$911.5 million in the value of the selected items (in a category of 21 items for which quantum and unit value data are available, covering 50 per cent of total imports) resulted under the combined impact of net positive price effect of \$558.1 million and net positive quantum effect of \$353.4 million during the period under review. The average import prices of all the above selected items (except tea, iron and steel scrap and spices) increased with prominent rises occurring in wheat, cement, paper and paper board, fertilizers, rubber crude, rubber tyres and



(*) Imports (FOB), based on Exchange record and compiled by the State Bank, increased by 16.2 per cent to \$11,966 million during 1995-96.

Table-VIII.4: Major Imports

(Million U.S. Dollars)

I T E M S	1991-92	1992-93	1993-94	1994-95	1995-96	Change in 1995-96 over 1994-95	
						Abso- lute	Percent- age
1. Machinery	2,490.1	2,406.0	1,883.0	2,366.1	2,553.9	187.8	7.9
(a) Textile Machinery	743.7	789.2	352.7	294.9	187.0	- 107.9	- 36.6
(b) Agriculture Machinery	15.8	10.5	10.9	68.8	51.5	- 17.3	- 25.1
(c) Power Generating Machinery	357.1	197.0	255.0	504.5	736.0	231.4	45.9
(d) Construction & Mining Machinery	137.2	164.9	180.9	201.7	167.9	- 33.8	- 16.7
(e) Electric Machinery & Appliances	299.9	267.3	294.4	276.8	440.3	163.4	59.0
(f) Others	936.4	977.1	789.1	1019.4	971.2	- 48.2	- 4.7
2. Transport Equipment	828.6	1,258.4	827.8	616.2	557.2	- 59.0	- 9.6
(a) Road Motor Vehicles	487.7	1,001.0	536.7	436.1	480.1	44.0	10.1
(b) Railway Vehicles	49.9	27.0	22.5	22.7	18.6	- 4.1	- 18.0
(c) Aircrafts, Ships & Boats, etc.	291.0	230.4	268.6	157.4	58.5	- 99.0	- 62.9
3. Petroleum & Petroleum Products	1,381.5	1,539.8	1,394.8	1,583.6	2,001.1	417.5	26.4
(a) Petroleum Crude	542.7	528.9	444.8	494.0	508.4	14.4	2.9
(b) Petroleum Products	838.8	1,010.9	950.0	1,089.6	1,492.7	403.1	37.0
4. Major Food Items	1,045.5	1,378.5	1,002.9	1,700.9	1,622.4	- 78.5	- 4.6
(a) Edible Oils	402.5	583.6	486.1	995.3	852.1	- 143.1	- 14.4
(b) Wheat un-milled	340.7	464.3	239.3	412.3	451.4	39.1	9.5
(c) Tea	172.9	207.0	185.8	187.3	169.6	- 17.7	- 9.5
(d) Milk and Cream (incl. Food for Infants)	34.4	20.1	28.3	26.8	48.4	21.7	81.0
(e) Sugar	36.7	21.2	14.8	2.2	1.6	- 0.6	- 27.4
(f) Pulses	58.3	82.3	48.6	77.0	99.3	22.3	29.0
5. Other Imports	3,484.9	3,357.4	3,432.3	4,108.8	5,080.2	971.3	23.6
(a) Chemicals	1,465.3	1,490.4	1,490.3	1,583.5	2,188.8	605.3	38.2
(i) Fertilizers	255.7	264.5	280.9	142.8	367.4	224.6	157.2
(ii) Medicinal Products	208.1	229.8	231.2	263.4	327.1	63.7	24.2
(iii) Plastic Materials	32.3	34.8	32.7	312.1	415.4	103.4	33.1
(iv) Others	969.2	961.3	945.5	865.2	1078.9	213.7	24.7
(b) Iron and Steel	324.3	315.4	326.2	371.9	483.7	111.9	30.1
(c) Paper and Paper Board	158.0	137.7	124.2	126.6	155.6	29.0	22.9
(d) Synthetic Fibre	157.3	122.0	115.5	168.7	145.7	- 23.0	- 13.6
(e) Others	1,380.0	1,291.9	1,376.1	1,858.1	2,106.4	248.3	13.4
Total Imports	9,230.6	9,940.1	8,540.8	10,375.6	11,814.8	1,439.2	13.9

Source: Federal Bureau of Statistics.

tubes, synthetic and artificial silk yarn and insecticides. On the other hand, the quantum of imports was significantly higher for fertilizers, iron and steel scrap, insecticides, plastic materials, pulses, petroleum and products and iron and steel. Items showing notable decline in quantum included: cement, spices, sugar, synthetic and regenerated fibre, wheat and edible oils.

Imports of major food items which had increased sharply by 69.6 per cent to \$1,700.9 million in 1994-95 as a result of higher imports of edible oils, wheat, pulses and tea to meet domestic shortage of these items declined by 4.6 per cent during 1995-96 mainly due to lower imports of edible oils, tea and sugar offset partly by higher imports of wheat, milk and cream (including food for infants) and pulses. Imports of edible oils which had recorded a sharp increase of 104.7 per cent in 1994-95, indicated a fall of 14.4 per cent due entirely to a reduction of 18 per cent in the quantum of imports despite exemption from 10 per cent regulatory duty on the import of edible oils. Their average import price increased by 4.5 per cent in contrast to the anticipated decline. While the fall in imports of tea resulted from both the reduced quantum and lower unit price, in the case of sugar it resulted entirely from a fall in the quantum of imports. Lower imports coupled with 17.7 per cent fall in its production led to shortages of sugar and consequent increase in prices towards the end of the year. Import of wheat increased by 9.5 per cent to \$451.4 million due entirely to sharp rise of 45.6 per cent in unit prices whereas its quantum of imports declined by 24.8 per cent despite exemption from regulatory duty. In addition to record production of 17.15 million tonnes, 1.97 million tonnes of wheat was imported to build up sufficient stocks of wheat to avoid shortages. The sharp rise of about 50 per cent in the quantum of imports of milk and cream, despite 4.9 per cent increase in its domestic production, resulted mainly due to withdrawal of 15 per cent sales tax on imports of un-skimmed milk powder and also allowing private sector to import fresh milk from the Central Asian States. The value of imports, excluding food items, depicted comparatively higher increase of 17.5 per cent compared to the overall growth of 13.9 per cent.

Break-up of imports in terms of economic categories showed that imports under all the categories depicted increases of varying magnitudes during 1995-96. The rise was particularly pronounced in the case of 'raw material for consumer goods' and 'capital goods' which rose by 11.8 per cent and 14.9 per cent respectively and jointly contributed \$1,107.4 million - about 77 per cent of the total rise in imports. However, the share of 'raw material for consumer goods' declined from 46.3 per cent to 45.4 per cent, while that of 'capital goods' increased slightly from 35 per cent to 35.3 per cent during the year. The rise under 'raw material for consumer goods' resulted largely from higher imports under petroleum products (excluding kerosene/ motor spirit), fertilizers, plastic material, insecticides, and paper and paper board. Exemption from regulatory duty appears to have exerted some positive impact on imports of fertilizers and newsprint as reflected in rise in their imports. In the case of 'capital goods', the rise emanated mainly due to higher imports of power generating machinery, electrical machinery and apparatus and road motor vehicles. The rise in the imports of machinery (in particular power generating and electrical) resulted mainly on account of very attractive energy policy and exemption from regulatory duty provided to power generating plants imported under energy policy and concessionary tariff allowed on imports of machinery, intermediate goods and raw materials required by the export oriented industries. Relatively high imports both under 'raw material for consumer goods' and 'capital goods' are indicative of some pick-up in industrial activity in the

country as reflected in a higher growth of 6.1 per cent in the industrial sector and 3.1 per cent in the large scale manufacturing during 1995-96. Imports of 'consumer goods' and 'raw material for capital goods' also increased by 14.5 per cent and 23.7 per cent during 1995-96, raising their share to 13.6 per cent and 5.7 per cent respectively from 13.5 per cent and 5.2 per cent in the preceding year. The rise in the imports of 'consumer goods' resulted mainly due to higher imports of medicinal products, wheat and pulses, while in the case of 'raw material for capital goods' it was contributed largely by iron and steel (including scrap) and rubber tyres and tubes (Table-VIII.5).

Table-VIII.5: Economic Classification of Imports

(Million U.S. Dollars)

CATEGORY	1991-92		1992-93		1993-94		1994-95		1995-96	
	Value	% Share	Value	% Share	Value	% Share	Value	% Share	Value	% Share
1. Consumer Goods	1,183.6 (- 1.0)	12.8	1,385.7 (17.1)	13.9	1,156.4 (- 16.5)	13.5	1,403.7 (21.4)	13.5	1,607.4 (14.5)	13.6
2. Raw Material for Consumer Goods	3,565.2 (5.0)	38.6	3,815.9 (7.0)	38.4	3,647.5 (- 4.4)	42.7	4,798.9 (31.6)	46.3	5,365.1 (11.8)	45.4
3. Raw Material for Capital Goods	609.0 (17.6)	6.6	549.7 (- 9.7)	5.5	519.0 (- 5.6)	6.1	541.7 (4.4)	5.2	669.9 (23.7)	5.7
4. Capital Goods	3,872.8 (54.6)	42.0	4,188.8 (8.2)	42.1	3,217.9 (- 23.2)	37.7	3,631.2 (12.8)	35.0	4,172.4 (14.9)	35.3
Total Imports	9,230.6 (21.3)	100.0	9,940.1 (7.7)	100.0	8,540.8 (- 14.1)	100.0	10,375.6 (21.5)	100.0	11,814.8 (13.9)	100.0

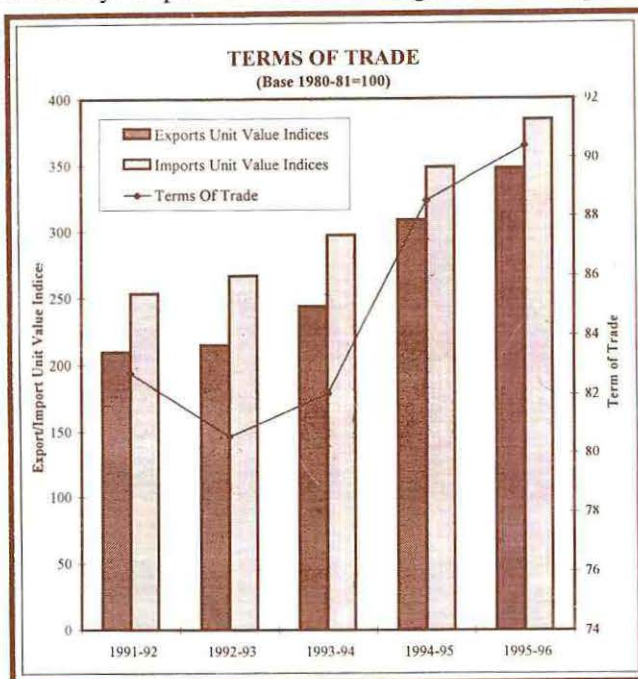
Note: Figures in parentheses represent growth rates.

Source: Federal Bureau of Statistics.

Imports from Asia, being the largest supplier of goods to Pakistan, denoted a rise of 15.5 per cent during 1995-96 as compared to a rise of 20.1 per cent in 1994-95. Its share in total imports also increased from 53.8 per cent to 54.6 per cent. Imports from Western Europe and North America also increased by 13.1 per cent and 5.9 per cent during 1995-96 whereas their shares in total imports came down slightly from 26.9 per cent and 10.6 per cent in 1994-95 to 26.7 per cent and 9.8 per cent respectively during 1995-96. Japan continued to be the top supplier of imports, accounting for 10.7 per cent of the total imports, followed by U.S.A. (8.9 per cent), Malaysia (7.2 per cent), Kuwait (6.4 per cent), Saudi Arabia (5.9 per cent), Germany (5.8 per cent), China (4.6 per cent) and U.K. (4.4 per cent). The combined share of these eight countries in total imports decreased slightly to 53.9 per cent during 1995-96 from 54.8 per cent in 1994-95.

Terms of Trade

The improvement in the terms of trade index (base 1980-81=100) witnessed since 1993-94 continued during 1995-96 and the index rose by 2.2 per cent to 90.5 during 1995-96 compared with a rise of 7.9 per cent a year earlier. The rise in the index resulted on account of an increase of 12.7 per cent in the export unit value index which more than offset 10.4 per cent rise in the import unit value index. The rise in export unit value index was contributed by all groups notably of chemicals (+23 per cent), crude materials (+20.5 per cent), food and live animals (+15.6 per cent), manufactured goods (+14.8 per cent), machinery and transport equipment (+6.9 per cent) and beverages and tobacco (+6.9 per cent). Increases in the import unit value indices were also recorded under all groups. Prominent rises included: crude materials (+25 per cent), beverages and tobacco (+17.5 per cent), manufactured goods (+15.4 per cent), mineral fuels and lubricants (+15.1 per cent) and food and live animals (+13 per cent).



Capital Account

The net inflow under long-term capital (private and official) amounted to \$2.3 billion during 1995-96. Of the total, private long-term capital, representing largely private foreign investment, contributed a major proportion and depicted a net inflow of \$1.7 billion during 1995-96. A striking feature was that net inflow under foreign direct investment (a non-debt creating mode of external financing) more than doubled over the year to \$1.1 billion during 1995-96. This was attributable mainly to large private investment in power sector in response to large concessions offered to investors in this sector. The power generating/ energy related companies have been allowed to be treated at par with manufacturing concerns for the purpose of issue/transfer and export of shares. In addition, authorized dealers have been allowed to open special foreign currency accounts/ offshore foreign currency accounts, to be maintained during the construction and operation of the projects in respect of power projects in Pakistan. Net inflow under portfolio investment, however, declined sharply by 87.7 per cent to \$157 million against the exceptionally high level in the previous year which included the sale proceeds of PTC vouchers amounting to \$862.2 million. After excluding the sales proceeds of PTC vouchers during 1994-95 the portfolio investment depicted a decline of 62.4 per cent during 1995-96. The fall in portfolio investment resulted mainly from generally depressed conditions prevailing in the stock market which is evident from the decline in the SBP share price index during 1995-96. Meanwhile, the utilization

of private loans/credits, including export/suppliers' /PAYE credits, rose sharply by 59 per cent to \$388 million in contrast to a fall of 33.3 per cent in the previous year. Net official long-term capital which had witnessed a downward trend since 1991-92 declined further by 13.1 per cent to \$654 million during 1995-96. Gross disbursements of official loans/credits for project and food aid rose by \$231 million, whereas, inflow under commodity aid was lower by \$195 million than in the preceding year. Reflecting mainly substitution of long-term loans by short-term assistance and expiry of grace periods, amortization of long-term loans continue to rise, in particular since 1992-93, and increased to \$1.7 billion during 1995-96. The net inflow under foreign currency deposits (non-residents) more than tripled from \$270 million in 1994-95 to \$967 million during 1995-96. Other official short-term capital (including Government Bonds) depicted a net inflow of \$81 million which was in contrast to a net outflow of \$430 million in the preceding year. As a combined result of the above developments, the level of short-term liabilities increased sharply during 1995-96.

Foreign Exchange Reserves

The liquid foreign exchange reserves which had risen to \$2,736.7 million (equivalent to 17.7 weeks of cash imports) at end-June, 1995 and stayed over \$2 billion during July and August, 1995 started declining, thereafter, and came down gradually to a low level of \$1,038.6 million on 21st November, 1995. The decline was mainly attributable to: i) financing of widening trade gap arising from sharp increase of about 27 per cent in imports and a decline of 5.5 per cent in exports during July-November, 1995 compared to the same period of 1994 and ii) some withdrawal of foreign currency deposits in the wake of rumours of freezing of FCAs and safe deposit lockers, sealing of Emirates Bank by the tax authorities and expectations of further devaluation of Pak. Rupee. However, these adverse developments were soon overcome and normalcy returned to the market with the result that the reserves started improving and increased gradually to \$2,065.3 million at the end of June, 1996.

Pakistan drew from the International Monetary Fund an amount equivalent of SDR 187.53 million during 1995-96. These drawings were made under the Stand-by-Arrangement of SDR 401.85 million signed on 13th December, 1995. Payments to IMF both on account of repurchase of earlier drawings and payment of charges on use of Fund resources during 1995-96 amounted to SDR 198.36 million of which SDR 61.2 million reflected repayments in respect of Compensatory and Contingency Financing Facility (CCFF), SDR 54.66 million under SAF Arrangement, SDR 47.4 million under Stand-by-Arrangement, and payment of SDR 35.1 million as charges. As a result of higher payments than receipts there was a negative use of Fund credit amounting to SDR 10.83 million during 1995-96.

Exchange Rate

The managed floating exchange rate policy continued to operate during 1995-96. However, as a result of several developments, Pak. Rupee stood considerably appreciated against the basket currencies both in nominal and real terms and the real effective exchange rate index showed an increase of 3.5 per cent on 27th October, 1995 over end-June, 1995 level. To offset the erosion in external competitiveness of our products in international markets, Pak. Rupee was

devalued by 7 per cent from Rs.31.85 to Rs.34.25 per U.S. dollar on 28th October, 1995. This was in addition to 2.6 per cent depreciation of the rupee in terms of U.S. dollar since 1st July, 1995. The devaluation was accompanied by other supporting measures to strengthen financial policies to reduce the external imbalance and contain inflationary pressures. These measures yielded favourable results which were reflected in significant increase recorded in exports and contraction in imports in the second half of the 1995-96. The rupee/dollar exchange rate stood at 35.10 on 30th June, 1996, depicting a depreciation of 11.7 per cent during 1995-96 as against 1.3 per cent in 1994-95. Real Effective Exchange Rate (REER) Index of Pak. Rupee, however, rose by 1.6 per cent, reflecting considerably higher rate of inflation in Pakistan than her major trading partners/competitors. State Bank's exchange rates for spot transactions in U.S. dollar as on 30th June, 1996 were as under:

(Rs. Per U.S. Dollar)

Buying Spot	35.10
Selling Spot	35.2755

Exchange and Payments Reforms

The process of liberalisation of exchange and payments regime, started since February 1991, continued during 1995-96. Some of the important measures introduced to further liberalise the system during the year under report were:-

- i) Exporters having firm contracts with the overseas buyers or holding letters of credit received from abroad were permitted to obtain, directly or through an Authorised Dealer, short-term loans, for a maximum tenure of 180 days, in foreign currencies from outside Pakistan, to the extent of the value of such contract/letter of credit provided the exporters bear the exchange risk. A consolidated loan against all contracts/letters of credit covering shipments during a calendar month can also be obtained. The proceeds would be used to finance the export of goods from Pakistan. Authorised Dealers and borrowers would be free to negotiate the interest rates. Repayment of loans and payment of interest after deduction of necessary tax will be made from export proceeds and in case of non-realization of export proceeds on/before maturity of the loan, repayment of loan/payment of interest would be made through FEBCs or from a foreign currency account.
- ii) Diplomatic Bonded Warehouses were allowed to open foreign currency accounts to receive only the sale proceeds from privileged persons in respect of sales from the Diplomatic Bonded Warehouses.
- iii) Restrictions on exports to South Africa were removed.
- iv) The monetary limit of Rs.75,000/- in respect of export of carpets under personal baggage allowed to visiting Pakistanis or foreign nationals was done away with. The export will,

however, be subject to authorisation of Ministry of Commerce and production of foreign exchange encashment certificates.

- v) Authorised Dealers (ADs) were allowed to book forward covers against usance import bills at any time before their maturity date but the maturity dates of the forward covers should not extend beyond the maturity dates of the relative bills.
- vi) The requirement for ADs to obtain State Bank's prior approval for effecting remittances in respect of imports where the documents were not received through them but were received directly by the importers was waived.
- vii) The power generation companies, energy related infrastructure companies and the companies established to set up software technology for developing the computer-software packages/programmes would be treated at par with manufacturing concerns for the purpose of issue/transfer and export of shares.
- viii) Authorised Dealers were allowed to issue foreign currency travellers cheques/ foreign currency notes by debit to convertible rupee accounts of the Diplomatic Missions, Diplomats, United Nations Organizations and International Organizations maintained with banks in Pakistan.
- ix) Authorised Dealers were allowed to open special foreign currency accounts/offshore foreign currency accounts, to be maintained during the construction and operation of the projects, in respect of private power generation projects in Pakistan as per the Implementation Agreements entered into between the Private Power & Infrastructure Board, Government of Pakistan and the companies.
- x) Authorised Dealers were permitted to provide forward cover to the Investment Banks, Leasing Companies and Modaraba Companies holding Restricted Authorised Dealers' Licences issued by State Bank of Pakistan in respect of the funds mobilised by them from abroad against issuance of Certificates of Investment.

Trade Policy for 1995-96

Pakistan's trade regime has been liberalised in various phases in recent years by eliminating the system of import licences, reducing quantitative restrictions on imports, exports, tariff and tax exemptions and streamlining the tariff structure. The trade policy for 1995-96 announced on 3rd July, 1995 was designed to achieve the twin objectives of preparing Pakistani concerns for a freer global trading system emerging from implementation of Uruguay Round decisions and stimulating exports through easier access to raw materials, intermediate goods, machinery, latest technology etc. In order to further liberalise the trade regime, trade barriers were either abolished or substantially reduced and reliance was made on tariff rather than on quota or quantitative restrictions. Maximum tariff was reduced from 70 per cent in 1994-95 to 65 per cent in 1995-96. Some of the important changes introduced in Export/Import Policies for 1995-96 inter-alia included:

A. Export Policy

- i) With a view to enabling the exporters/importers for entering into future contracts with foreign suppliers/buyers in an environment of security, the existing policy of duty-free import and export of cotton and cotton yarn was extended for the next three financial years.
- ii) The time-bound and un-bound tariff concessions to export-oriented industries have been withdrawn and now such exemptions in respect of import of machinery and raw materials would be governed by statutory tariff ranging between 10-45 per cent.
- iii) Import of machinery, intermediate goods and raw materials required by the export-oriented industries was allowed under a concessionary tariff framework.
- iv) The list of eligible items for export finance was expanded by including in the list four new items viz. synthetic and blended yarn; packed basmati rice with brand names; animal casings and mushrooms.
- v) A subsidy of 25 per cent was provided on freight for export of jersey sheets for the year 1995-96. However, this facility was allowed only to the new exporting firms.
- vi) The scheme of allowing duty/sales tax free import of gold and uncut precious and semi-precious stones to promote export of jewellery was simplified and the requirement of NOC from different agencies was done away with.
- vii) Pakistani Insurance Companies, whose total assets over their total liabilities were in excess of the solvency margin (prescribed by Insurance Act) were allowed to establish their branch offices abroad without any specific authorisation of Controller of Insurance and State Bank of Pakistan provided they meet their initial capital requirement for operations abroad through FEBCs or their own foreign exchange earnings.
- viii) Businessmen of selected trading partners such as USA, Canada, European Union, Norway, Japan, South Korea, Australia, Newzealand, Singapore, Hong Kong and OPEC countries would be granted visas for 30 days on their arrival at Airports in Pakistan. Pakistani Embassies were also authorised to issue multiple business visas to the businessmen/investors of these countries for a period of one year.
- ix) To encourage development of software engineering, equipments exclusively used for software exports were exempted from all duties, taxes and surcharges.

Some of the important measures to boost exports introduced during the year inter-alia included:-

- a) The period of availability of export finance under Part-I of the Export Finance Scheme was extended w.e.f. 13th February, 1996 from 150 days to 180 days for 1995-96 and 1996-97 in respect of items: hand-knotted carpets and rugs; garments made of cotton (excluding cloth,

towels, bed-sheets etc.); leather manufactures (excluding finished tanned leather); engineering and electronic goods; cutlery and sports goods.

- b) The period of availability of export finance was also extended to 180 days w.e.f. 19th May, 1996 for items: cotton garments, towels, bed-wear, hosiery, knit-wear and all types of synthetic and art silk/printed/dyed cloth and garments.
- c) The rates of fine in respect of various categories under the Export Finance Scheme were also reduced.
- d) The facility of export finance for 150 days was allowed for export of IRRI Rice w.e.f. 19th May, 1996.
- e) Two packages of incentives for textile and non-textile sectors were announced on 2nd and 30th October, 1995. Important features of the two packages are as under:-

Textile Package

- i) Payment of all duty drawback claims would also be made by banks, in addition to collectorate of customs.
- ii) Duty drawback rates were raised on yarn, grey cloth, bleached, dyed and printed fabrics, textile made-ups and garments.
- iii) Existing exemption from payment of Export Development Fund (EDF) surcharge allowed on export of fabrics, made-ups and garments was extended upto 30th June, 1996.
- iv) Freight concession @ 25 per cent was allowed from EDF on the export of non-quota woollen and silk products.
- v) Re-finance borrowings were either exempted from the payment of excise duty or if not legally possible, the tax would be included in the export rebate.
- vi) Banks were authorised to reschedule loans, reduce interest rates or freeze interest payments for viable spinning and weaving mills.
- vii) Recommendations of the committee headed by the Chairman, Pakistan Banking Council regarding revival of textile sector were to be implemented by nationalised commercial banks/DFIs without any further scrutiny/review.
- viii) Pakistan Banking Council was allowed out-of-court settlement in cases where courts have granted decrees against textile mills on the merit of each case.

Non-Textile Package

- i) The rates of duty drawbacks, in respect of finished leather (goat/sheep skins), finished leather (cow/buffalo hides), leather made-ups and garments, artificial leather, footballs, gloves made of polyester cloth, artificial leather gloves, hand-knotted carpets, and surgical instruments made of imported forgings, were raised by 1.88 - 5.00 per cent with effect from 30th October, 1995.
- ii) No indirect tax (federal, provincial or local) would be imposed on the export products as well as their inputs.
- iii) Exporters of carpets would be provided air freight subsidy at the rate of 25 per cent of the freight charges against funding from Export Development Fund (EDF).
- iv) Exporters of surgical instruments will be provided soft-term loan of Rs.50 million out of EDF.
- v) An amount of Rs.100 million to be released from EDF was earmarked for the establishment of a testing laboratory to upgrade the surgical instruments.
- vi) A scheme on the pattern of duty-free shops was to be worked out for surgical instrument manufacturers/exporters to buy their special steel at zero rated tariff.

B. Import Policy

- i) Specified Karakuli cloth which was previously importable from India only was made importable from world-wide sources.
- ii) The prescribed limit of shelf-life of imported edible products was reduced from 75 per cent to 50 per cent at the time of import with other conditions remaining the same.
- iii) Import of second-hand aircraft and helicopters was allowed to eligible agencies subject to the recommendations of Ministry of Defence and Aviation.
- iv) Industrial consumers, construction organizations and engineering concerns were allowed to import used/second-hand tools (hand operated/power driven etc.).
- v) Import of pressure horns covered under H.S. Code No.8512.3000 was banned.
- vi) Cigarette Paper and Acetate Tow was made importable by cigarette manufacturers only.
- vii) Import of used books/magazines and journals was allowed.
- viii) Banks and security companies were allowed to import armoured security vans more than five-year old.

- ix) The condition of use/registration in the country of origin/export was removed for the import of agriculture pesticides registered under the Agriculture Pesticide Ordinance, 1971.
- x) Import of lubricating oils, mineral oils and greases was allowed subject to the recommendations of Ministry of Petroleum and Natural Resources.
- xi) Import of chemicals classified as hazardous waste under Basle Convention was banned.
- xii) Civilian Officers of Grade-17 and above were allowed to import one non-prohibited bore weapon under Personal Baggage Scheme on one time basis during their service tenure subject to payment of normal duties and taxes.
- xiii) Tariff structure on import of machinery was reduced from the range of 15-70 per cent to 10-45 per cent.
- xiv) Duty-free import of machinery for stuffed toys industry was allowed if imported for manufacture in bonded premises.

A temporary import duty of 10 per cent was imposed on dutiable import items, except wheat, fertilizers, edible oils, pulses and newsprint. A 5 per cent import duty with certain exceptions was levied on non-dutiable imports.

IX. STATE BANK'S ADMINISTRATION AND ACCOUNTS

Constitution of the Central Board of Directors

The Central Board of Directors consisted of the following as on 30th June, 1996:

1. Dr. Muhammad Yaqub Governor & Chairman
2. Mian Tayyab Hassan*
3. Mr. H.U. Beg
4. Syed Yawar Ali
5. Syed Zulfiqar Ali Bokhari
6. Mr. Shahjehan S. Karim
7. Dr. Hafiz A. Pasha

Meetings of the Central Board

The Central Board held 5 meetings during the year.

Restructuring of the Bank's Operations

The State Bank continued to make efforts aimed at improving its efficiency, reorganising its operations on modern lines, introducing new technology in the Bank, improving the skill level of its staff and officers and in general modernising the working of the Bank. In this connection, a multi-dimensional strategy adopted in the previous year was implemented further in 1995-96. The educational requirements for new entrants at the officer and staff levels were strengthened with increased emphasis on computer skills. The first batch of officers recruited under the

* Nominated w.e.f. March 14, 1996. Prior to that, Mr. Javed Talat was the ex-officio Director.

Officers Training Scheme through a totally merit-based recruitment system was inducted in the Bank after a rigorous theoretical and operational training of six months. The critical areas where there was deficiency of competent hands were addressed through ad hoc appointments or acquisition of qualified persons under various technical assistance programmes. Computerisation of the Bank was intensified and a comprehensive plan to improve the technology base of the organization is under implementation with the assistance of the World Bank. In inspection of financial institutions and conduct of open market operations effective improvements have been made with the assistance of national and international institutions. Internal re-organisation of work of various Departments and restructuring of their staffing were carried out with a view to effecting economy and efficiency in operations. Several changes were made in promotion and incentive policy to reward merit and hard work and reduce discretion. Increased emphasis on internal audit and activities of vigilant officers helped improve the discipline and punctuality in the Bank. The staff and officers fully cooperated in strengthening the internal skill level and organisational structure of the Bank. However, manpower planning has a long gestation period, and the impact of some of measures adopted in the last three years would be noticed with some time lag.

Computerisation of the Bank's Operations

The comprehensive programme of computerisation of Bank's operations, which was started last year, continued during 1995-96. With a view to accelerating its pace, a Computerisation Plan Committee, comprising of three Deputy Governors, two Executive Directors, and seven Directors/Additional Directors, was set up in July 1995, among others, with the following mandate:-

- (a) Approval of standards for computer project implementation
- (b) Evaluation of proposed projects and recommendation for implementation
- (c) Establishment of implementation priorities
- (d) Oversight of computer projects in progress
- (e) Oversight of computer related training
- (f) Oversight of selection and purchasing procedure
- (g) Vendor liaison and negotiations where necessary

Besides establishment of a Computer Skills Learning Centre and Help Desk for imparting training to officers and employees of the Bank in basic office applications, the Committee approved a number of projects which are either fully operational now or in the final stages of

completion. The largest project in hand is that of the computerisation of Karachi Office. A brief description with regard to status of important projects is given below:-

Sr. No.	Office/Department	Activity	Status
1.	Agricultural Credit Deptt.	Claims Processing System	Software Development completed. Procurement of hardware under way
2.	Foreign Exchange Deptt.	Repeat Travel E-Form	E-Form system fully operational Repeat Travel data entry in progress
3.	Library	Computerisation of SBP Library	System operational since January, 1996. Data entry on-going
4.	Medical Services Deptt.	Computerisation of Medical Services Deptt.	System operational
5.	NBFIs Regulation & Supervision Deptt.	Computerisation of NBFIs Regulation & Supervision Deptt.	System Developed. Hardware yet to be purchased
6.	Karachi Office (a) FIB Section (b) Prize Bonds Section	Federal Investment Bonds Prize Bonds in vault	System in parallel operation System fully operational
7.	Governor/Executive Directors' Sections	Secretarial work	System in operation

The State Bank has negotiated a loan from the World Bank for financing of consultancy services. A part of the loan will be utilised for consultancy services needed in connection with automation and computerisation of the Bank's operations. The terms of reference of the automation strategy is being reviewed by the top management. Consultants are likely to be selected by early 1997. An important aspect of the automation strategy is effective information transfer and connectivity between different offices of the Bank.

The Central Directorate, Offices and Branches and their Developments

- (i) A full-fledged Office of the Bank started functioning at Bahawalpur w.e.f. 18th January, 1996.
- (ii) A Skeleton Section of the Bank was set up at Muzaffarabad (Azad Kashmir) with a view to making necessary arrangements for the opening of a full-fledged office there.
- (iii) Bank's second Office at North Nazimabad, Karachi was accorded independent status for operational/administrative purposes.
- (iv) Industrial Credit Department has been merged with Banking Policy & Regulations Department and renamed as Industrial Credit Division.
- (v) Working procedure of Cash Departments at all offices has been revised along with their staff position.

NBFIs Regulation and Supervision Department

The NBFIs Regulation and Supervision Department conducted inspection of four DFIs (viz. NDFC, BEL, PICIC & ICP) during the year. Besides, inspection of SBFC is in process since June, 1996. Special Audit for the period ended 31st December, 1994/30th June, 1995 of 108 NBFIs(i.e. 52 Modarabas, 28 Leasing Companies, 12 Investment Banks, 10 DFIs, 4 Housing Finance Companies and 2 Discount Houses) has been assigned to external Auditors. So far 34 Special Audit Reports have been received in the Department.

Foreign Exchange Adjudication Department

During the year, 408 complaints were filed and 251 cases were disposed of. Majority of complaints filed pertained to non-repatriation of export proceeds. Penalties aggregating Rs.126.2 million were imposed whereas foreign exchange equivalent to US \$ 1.3 million was repatriated to Pakistan by the defaulters.

Internal Audit and Inspection

Inspection of 7 Offices of the Bank and 13 Departments of Central Directorate was completed by the Audit Department of the Bank during 1995-96. The performance of Internal Audit Sections attached to Offices and various Departments of Central Directorate was also kept under regular review. A number of audit reports were received from the Director, Commercial Audit which included reports on accounts of Peshawar Office for the years 1992-93, 1993-94 and 1994-95, Rawalpindi Office for the years 1993-94 and 1994-95, Multan Office for the year 1994-95 and Central Directorate for 1993-94. Observations on the reports of Peshawar Office for the years 1992-93 and 1993-94 were examined and necessary replies were sent to the Director, Commercial Audit. Reports on Quetta Office for the years 1988-89 to 1993-94 were also disposed of. The remaining reports are in various stages of processing.

During the year, the Management Information Cell continued cent per cent audit of Export Refinance cases at Karachi Office and irregularities of serious nature were detected, involving penalty. The amount of recovery on account of penalty totalled Rs.3.7 million during 1995-96. Since the commencement of cent per cent audit of Export Refinance cases at Karachi Office, total recoveries upto end-June, 1996 aggregated Rs.66.4 million. In addition, an amount of Rs.0.5 million was also recovered by various Offices during the year. Further, at the instance of the Audit Department, Lahore and Karachi Offices while conducting re-checking of Export Refinance cases, also recovered an amount of Rs.6.0 million as additional amount of penalty. Thus, a total amount of Rs.10.2 million was recovered as penalty on account of irregular refinance cases.

Inspection of Banks

The role of inspection in the wake of privatisation of two nationalised commercial banks as also the opening of a number of banks in the private sector, has become very important. In this regard, Banking Inspection Departments(i.e. I & II) carried out/completed inspection of 21

scheduled banks during 1995-96. Of these, 15 were Pakistani Banks (i.e. First Women Bank, 7 Private Banks, 3 Nationalised Commercial Banks, 2 Privatised & 2 Specialised Banks i.e. ADBP & IDBP). The remaining 6 were foreign banks.

Training Department

The Bank's Training Department remained actively engaged in organising various Domestic as well as International Training Programmes during 1995-96. Bankers Training Institutes at Karachi and Lahore imparted training to participants of various Courses during 1995-96.

Under the International Training Programme, the Department organised different Courses for the benefit of the middle-level officers of the developing countries of Asia, Central Asia, Far East, Africa, Latin America, East Europe, Pacific and Caribbean Regions. The details of Domestic and International Courses are as under:-

Category	Name of the Training Course	Meant for	No. of Participants
<u>DOMESTIC</u>	1. Training Course for Assistants/ Sr. Assistants	Staff of the State Bank	84
	2. Training Course for Coin/Note Examiners Grade-I & II	- do -	78
	3. Orientation Course for Assistant Treasurers (Regular)/Deputy Treasurers (Placee)	- do -	20
	4. Orientation Course for Officers Grade-III (Regular)/ Officers Grade-II (Placee)	- do -	43
	5. Bank Officials Training Scheme	Directly recruited Trainee Officers (Grade-II)	47
	6. Computer Familiarisation Programme	Officials of the State Bank	139
<u>INTERNATIONAL</u>	1. 28th Central Banking Course	Officials from Central Banks	30
	2. 28th Commercial Banking Course	Officials from Commercial Banks	23

Total number of officers trained under International Training Programme, since its inception in 1968, thus rose from 2,210 in June, 1995 to 2,263 in June, 1996, representing participation from 92 countries. The fifth International Course on Commercial Banking for participants from Central Asian States and Republic of Azerbaijan commenced on 29th May, 1996.

Upgradation of general skill and efficiency in the Bank, particularly at officers level, continues to be the top priority of the management. As part of these efforts, the Bank has introduced a Scheme under which young persons with brilliant academic record would be selected for training. Candidates selected on the basis of aptitude test and interview would undergo an intensive training comprising two phases viz. theoretical and practical phases of three months each. The first batch consisting of 47 trainee officers has already completed its training.

Building Projects of the Bank

The construction work of Office Buildings at Hyderabad and Multan is in progress and in case of the latter, it is nearing completion. The Annexe Building and Mosque at Lahore have been completed whereas work of 272 clerical Flats at Ichhra, Lahore is at final stages of completion. The work of Muzaffarabad Office Building Project is also in progress.

The Central Directorate Library has been renovated. Necessary modifications are being made in the newly constructed North Nazimabad Office Building to house a library for the use of students and scholars.

With a view to meeting the future space requirements, planning/designing work of a High Rise (25 -storey) New Office Block has also been started. The Block would be constructed within the Compound of the Bank's Central Directorate Building. The Soil Investigation work has already been completed.

Annual Accounts

The Balance Sheet and Profit and Loss Account appear on pages 128-134 of the Report.

The profit and loss position of the Bank for the year 1st July, 1995 to 30th June, 1996 is summarised below:-

	<u>1995-96</u>	<u>1994-95</u>
Gross Earnings of the Bank	Rs. 29,667,311,948.30	Rs. 23,844,306,781.05
Gain/Loss on Foreign Currency Accounts for Exchange Risk Cover	(-) Rs. 11,210,713,815.75	(+) Rs. 2,100,589,977.23
Net Earnings of the Bank	Rs. 18,456,598,132.55	Rs. 25,944,896,758.28
Total Expenditure	<u>Rs. 4,725,098,132.55</u>	<u>Rs. 4,658,396,758.28</u>
Profit	<u>Rs. 13,731,500,000.00</u>	<u>Rs. 21,286,500,000.00</u>

The above profit has been appropriated as shown below:-

	<u>1995-96</u>	<u>1994-95</u>
Amount paid/payable as dividend @ 10%	Rs. 10,000,000.00	Rs. 10,000,000.00
Amount transferred to Reserve Fund	Rs. 350,000,000.00	Rs. 1,000,000,000.00
Amount transferred to Rural Credit Fund	Rs. 100,000,000.00	Rs. 600,000,000.00
Amount transferred to Industrial Credit Fund	Rs. 100,000,000.00	Rs. 500,000,000.00
Amount transferred to Export Credit Fund	Rs. 150,000,000.00	Rs. 500,000,000.00
Amount transferred to Loans Guarantee Fund	--	Rs. 200,000,000.00
Surplus payable to the Federal Government	Rs. 13,021,500,000.00	Rs. 18,476,500,000.00
Profit	<u>Rs. 13,731,500,000.00</u>	<u>Rs. 21,286,500,000.00</u>

Gross earnings during 1995-96 amounted to Rs.29.7 billion compared with Rs.23.8 billion in the last year. However, the Bank incurred a loss of Rs.11.2 billion on account of exchange risk cover provided on foreign currency deposits in sharp contrast to a gain of Rs.2.1 billion during 1994-95. Gross expenditure, on the other hand, remained virtually unchanged at Rs.4.7 billion during the year mainly because of savings in expenditure through better administration and economy drive mounted during the year. As a result, net profits declined to Rs. 13.7 billion from Rs. 21.3 billion in 1994-95. After making provisions for payment of dividend and appropriations for different Funds, an amount of Rs.13.0 billion became payable as surplus to the Federal Government.

Banking Department

The Balance Sheet of the Banking Department as on 30th June, 1996 appears on pages 130-131. Out of the current year's profit, appropriations of Rs.350.0 million, Rs.100.0 million, Rs.100.0 million and Rs.150.0 million were made to Reserve Fund, Rural Credit Fund, Industrial Credit Fund and Export Credit Fund respectively.

On the liabilities side, deposits of Federal Government amounted to Rs.26.7 billion as on 30th June, 1996 as against Rs.29.4 billion a year earlier. The position in respect of provincial balances was as under:-

(Rs. in billion)

<u>Province</u>	Balances	
	<u>30-6-1996</u>	<u>30-6-1995</u>
Punjab	2.44 (Cr.)	3.01 (Cr.)
Sindh	4.78 (Dr.)	2.85 (Dr.)
NWFP	1.52 (Dr.)	3.56 (Cr.)
Balochistan	1.17 (Dr.)	0.56 (Cr.)

Scheduled banks' deposits with the State Bank decreased from Rs.69.0 billion as on 30th June, 1995 to Rs.49.9 billion on 30th June, 1996. The decline in these deposits was due to transfer of Special Deposits under Export Refinance to "Other Liabilities". "Other Deposits" including counter-part funds stood at Rs.52.3 billion on 30th June, 1996 as against Rs.43.4 billion a year earlier. The balances under Revaluation Account representing un-realised appreciation/depreciation on revaluation of gold, showed a credit balance of Rs.25.1 billion as on 30th June, 1996 as against Rs.22.2 billion a year earlier.

On the assets side, "Balances held outside Pakistan" stood at Rs.39.6 billion on 30th June, 1996 as against Rs.15.3 billion a year earlier. Loans and advances to scheduled banks under Agricultural Sector increased from Rs.40.1 billion to Rs.43.0 billion while under Industrial and Export Sectors, such loans and advances decreased from Rs.9.2 billion to Rs.9.1 billion and from Rs.27.8 billion to Rs.0.1 billion respectively. The sharp decline in the latter reflected transfer of Special Deposits under Export Refinance to "Other Liabilities". "Other Loans and Advances" to scheduled banks increased slightly from Rs.4.47 billion as on 30th June, 1995 to Rs.4.48 billion as on 30th June, 1996. Loans and advances to Non-Bank Financial Institutions increased under Industrial Sector from Rs.11.5 billion to Rs.11.7 billion (including Rs.5.0 billion held in Issue Department) whereas in Housing Sector these remained unchanged. "Other Loans and Advances" to Non-Bank Financial Institutions increased from Rs.10.1 billion as on 30th June, 1995 to Rs.12.5 billion as on 30th June, 1996.

State Bank's investments in scheduled banks stood at Rs.9.3 billion as on 30th June, 1996 as against Rs.9.2 billion a year earlier while in the case of Non-Bank Financial Institutions these remained unchanged. Bank's investment in Government Securities decreased from Rs.76.2 billion to Rs.47.7 billion.

The position with regard to Bank's Main Account with the Reserve Bank of India remained unchanged as India did not write up the State Bank's balance with it under the provisions of the payments agreement between the Governments of India and Pakistan. The matter is still in dispute.

Issue Department

The Balance Sheet of the Issue Department as on 30th June, 1996 appears on pages 128-129 of the Report. Total Notes Issued increased from Rs.229.3 billion at the close of last year to Rs.250.6 billion on 30th June, 1996. On the Assets' side, the value of "Gold Coin and Bullion" increased from Rs.24.3 billion as on 30th June, 1995 to Rs.27.1 billion as on 30th June, 1996 due to purchase of confiscated gold from various Government Departments and appreciation on revaluation of gold at the market rate. Holding of "Approved Foreign Exchange" decreased from Rs.70.0 billion to Rs.32.4 billion over the year. The balance of "India Notes representing Assets Receivable from the Reserve Bank of India" increased from Rs.425.6 million to Rs.431.0 million due to appreciation of India rupee in terms of Pakistan rupee. Holding of "Government of Pakistan Securities" increased from Rs.118.6 billion to Rs.174.7 billion mainly on account of transfer of these Securities from Banking to Issue Department to meet currency backing requirement. Amount of "Internal Bills of Exchange and other Commercial Papers" remained unchanged at Rs.15.1 billion. Assets "Held with the Reserve Bank of India pending transfer to Pakistan" increased from Rs.579.5 million to Rs.643.2 million due to revaluation of Gold Coin & Bullion, Sterling Securities, India Rupee Securities and India Rupee Coin as a result of appreciation of India rupee in terms of Pakistan rupee.

Coinage

A new cupro-nickel coin of Rs.5/- denomination was issued w.e.f. 29th January, 1996 in commemoration of the 50th Anniversary of United Nations Organisation.

Rupee Coins in circulation amounted to Rs.77.2 million on 30th June, 1996 as against Rs.78.0 million a year ago. One rupee notes in circulation at the end of June, 1996 amounted to Rs.2.2 billion as against Rs.2.1 billion at the end of the previous year. The circulation of coins of the denominations lower than one rupee as on 30th June, 1996 amounted to Rs.684.2 million as compared to Rs.671.8 million on 30th June, 1995. This also includes old Half Rupee and Quarter Rupee Coins, which are still in circulation.

Transfer of Assets

According to the provisions of Pakistan (Monetary System and Reserve Bank) Order, 1947 as amended, the value of assets of the Issue Department of the Reserve Bank of India which became due to Pakistan was as under:-

Against Notes in Circulation as on 30th June, 1948	Rs. 0.52 billion
Against India Notes Retired thereafter	<u>Rs. 1.25 billion</u>
	<u>Rs. 1.77 billion</u>

Out of these, assets of the value of Rs.1.28 billion have so far been received by the State Bank of Pakistan and balance is yet to be transferred by the Reserve Bank of India.

Appointment of Auditors

As authorised by the Central Board, the Governor approved the appointment of the following two firms of Chartered Accountants as Auditors of the Bank for the year 1995-96.

1. M/s Taseer Hadi Khalid & Co.
2. M/s Sidat Hyder Qamar Maqbool & Co.

BALANCE SHEET

AND

PROFIT AND LOSS ACCOUNT

AS AT 30TH JUNE, 1996

BALANCE SHEET**ISSUE****LIABILITIES**

	<u>30th June, 1996</u>	<u>30th June, 1995</u>
	Rs.	Rs.
Notes held in the Banking Department	164,701,370	233,228,434
Notes in Circulation	250,455,588,026	229,079,994,137
Total Notes Issued	<u>250,620,289,396</u>	<u>229,313,222,571</u>
Total Liabilities	<u>250,620,289,396</u>	<u>229,313,222,571</u>

AS AT 30TH JUNE, 1996

DEPARTMENT

ASSETS

	<u>30th June, 1996</u>	<u>30th June, 1995</u>
	Rs.	Rs.
I.A. Gold Coin and Bullion(1)	27,116,613,540	24,260,085,180
Silver Bullion	Nil	Nil
Special Drawing Rights held with the International Monetary Fund	Nil	Nil
Approved Foreign Exchange India notes representing assets receivable from the Reserve Bank of India	32,381,501,329	70,008,899,830
	<u>430,993,541</u>	<u>425,605,740</u>
	<u>59,929,108,410</u>	<u>94,694,590,750</u>
B. Rupee Coin	305,461,722	413,353,827
Government of Pakistan Securities	174,664,028,087	118,547,314,386
Internal Bills of Exchange and other Commercial Paper:		
(i) Agricultural Sector	Rs. Nil	Rs. Nil
(ii) Industrial Sector	Rs. 5,078,500,000	Rs. 5,078,500,000
(iii) Export Sector	Rs. Nil	Rs. Nil
(iv) Housing Sector	Rs. 10,000,000,000	Rs. 10,000,000,000
(v) Others	<u>Rs. Nil</u>	<u>Rs. Nil</u>
	<u>15,078,500,000</u>	<u>15,078,500,000</u>
	<u>190,047,989,809</u>	<u>134,039,168,213</u>
II. Held with the Reserve Bank of India pending transfer to Pakistan:-		
Gold Coin and Bullion (1)	450,306,915	403,094,578
Sterling Securities	179,745,612	163,391,939
Government of India Securities	10,109,953	9,983,570
Rupee Coin	3,028,697	2,993,521
	<u>643,191,177</u>	<u>579,463,608</u>
Total Assets	<u>250,620,289,396</u>	<u>229,313,222,571</u>

(1) Gold in pursuance of Section 30(2) of the State Bank of Pakistan Act, 1956 has been valued at market value of fine gold contents thereof on the basis of gold rates obtaining in London Bullion Market.

BALANCE SHEET

BANKING

LIABILITIES

	30th June, 1996 Rs.	30th June, 1995 Rs.
Capital Paid up	100,000,000	100,000,000
Reserve Fund	4,000,000,000	3,650,000,000
Rural Credit Fund	2,600,000,000	2,500,000,000
Industrial Credit Fund	1,600,000,000	1,500,000,000
Export Credit Fund	1,500,000,000	1,350,000,000
Loans Guarantee Fund	500,000,000	500,000,000
Housing Credit Fund	700,000,000	700,000,000
Deposits:-		
(a) Federal Government	26,732,551,215	29,362,691,321
(b) Provincial Governments	2,444,892,392	7,134,696,366
(c) Banks(2)	49,851,646,024	68,991,821,721
(d) Others	52,309,851,185	43,374,595,269
Allocation of Special Drawing Rights	8,618,629,288	8,290,193,541
Bills Payable	127,936,533	103,705,953
Revaluation Account(3)	25,101,604,200	22,212,821,602
Other Liabilities(4) (9)	69,328,555,388	39,765,794,355
Total Liabilities	245,515,666,225	229,536,320,128

Notes: Entire Capital paid up vests in the Federal Government.

Commitments for forward exchange operations stood at U.S.\$ 8,421.051 million against forward sales.

(2) Refers to scheduled banks. (3) Represents unrealised appreciation/depreciation on revaluation of Gold. (4) Includes Contingency Accounts. (9) Includes "Special Deposits of Banks under Export Refinance" and "Loans and Advances to Scheduled Banks--Export Sector" during the current year only.

AS AT 30TH JUNE, 1996

DEPARTMENT

ASSETS

	30th June, 1996		30th June, 1995	
	Rs.		Rs.	
Notes		164,701,370		233,228,434
Rupee Coin		42,015		1,123
Subsidiary Coins		415,527		236,898
Bills Purchased and Discounted:-				
(a) Internal:-				
(i) Agricultural Sector	Rs. Nil		Rs. 3,660,000,000	
(ii) Industrial Sector	Rs. Nil		Rs. Nil	
(iii) Export Sector	Rs. 3,566,738		Rs. 3,566,738	
(iv) Housing Sector	Rs. Nil		Rs. Nil	
(v) Others	Rs. 33,400,000	36,966,738	Rs. 33,400,000	3,696,966,738
(b) External		Nil		Nil
(c) Government Treasury Bills		3,030,281,104		2,695,692,217
Balances held outside Pakistan(5)		39,547,502,659		15,245,902,496
Special Drawing Rights held with the International Monetary Fund		54,983,264		130,725,890
Loans and Advances to Governments		300,000,000		300,000,000
Government Debtor Balances		7,464,404,756		2,851,958,512
Loans and Advances to Scheduled Banks:-				
A. Agricultural Sector	Rs. 43,000,762,475		Rs. 40,141,005,597	
B. Industrial Sector	Rs. 9,054,940,467		Rs. 9,205,610,920	
C. Export Sector	Rs. 83,933,000		Rs. 27,809,768,665	
D. Housing Sector	Rs. Nil		Rs. Nil	
E. Others	Rs. 4,475,146,871	56,614,782,813	Rs. 4,471,401,720	81,627,786,902
Loans and Advances to Non-Bank Financial Institutions:-(6)				
A. Agricultural Sector	Rs. Nil		Rs. Nil	
B. Industrial Sector	Rs. 6,655,198,773		Rs. 6,481,283,830	
C. Export Sector	Rs. Nil		Rs. Nil	
D. Housing Sector	Rs. 6,496,300,000		Rs. 6,496,300,000	
E. Others	Rs. 12,447,159,808	25,598,658,581	Rs. 10,084,147,650	23,061,731,480
Investments:-				
A. Scheduled Banks(7)	Rs. 9,312,818,692		Rs. 9,237,912,780	
B. Non-Bank Financial Institutions(7)	Rs. 2,151,088,605		Rs. 2,151,088,605	
C. Government Securities(8)	Rs. 47,697,156,718		Rs. 76,241,722,528	
D. Others	Rs. Nil	59,161,064,015	Rs. Nil	87,630,723,913
Other Assets(9)		53,541,863,383		12,061,365,525
Total Assets		245,515,666,225		229,536,320,128

(5) Includes Cash, Short Term Securities and Asian Monetary Units. (6) Return on Profit and loss sharing accounts included in Loans and Advances is accounted for when declared by the loanes. (7) Valued at cost. (8) Valued at Market rate. (9) Includes "Special Deposits of Banks under Export Refinance" and "Loans and Advances to Scheduled Banks--Export Sector" during the current year only.

**PROFIT AND
FOR THE YEAR**

INCOME

Interest, Discount, Exchange, Commission and Return*, etc.

EXPENDITURE

Establishment
Directors' Fees and Expenses
Auditors' Fees
Rent, Taxes, Insurance, Lighting, etc.
Law Charges
Postage and Telegram Charges
Remittance of Treasure
Stationery, etc.
Depreciation and Repairs to Bank's Property
Agency Charges
SDR Charges
Contribution to Staff and Superannuation Funds
Contribution to Staff Welfare Fund
Miscellaneous Expenses

Sub-Total:

Security Printing (Cheques, Note Forms, etc.)
Net Available Balance

Total:

Amount transferred to Reserve Fund
Amount set aside for payment of Dividend at the rate of 10 per cent per annum
Amount transferred to Rural Credit Fund
Amount transferred to Industrial Credit Fund
Amount transferred to Export Credit Fund
Amount transferred to Loans Guarantee Fund
Amount transferred to Housing Credit Fund
Surplus payable to the Federal Government
Balance carried forward

Total:

*Return means income from non-interest bearing schemes/investments.

LOSS ACCOUNT

ENDED 30TH JUNE, 1996

<u>30th June, 1996</u>	<u>30th June, 1995</u>
Rs.	Rs.
<u>18,456,598,133</u>	<u>25,944,896,758</u>
1,541,419,410	1,534,803,093
269,593	372,842
260,000	140,000
69,379,047	55,210,478
2,821,157	8,735,363
9,230,822	7,344,817
19,058,684	13,484,462
9,458,798	8,632,705
59,249,640	55,114,776
359,003,469	308,668,079
350,472,420	371,608,467
200,000,000	200,000,000
128,600,000	132,300,000
426,873,017	396,783,036
<u>3,176,096,057</u>	<u>3,093,198,118</u>
1,549,002,076	1,565,198,640
<u>13,731,500,000</u>	<u>21,286,500,000</u>
<u>18,456,598,133</u>	<u>25,944,896,758</u>
350,000,000	1,000,000,000
10,000,000	10,000,000
100,000,000	600,000,000
100,000,000	500,000,000
150,000,000	500,000,000
Nil	200,000,000
Nil	Nil
13,021,500,000	18,476,500,000
Nil	Nil
<u>13,731,500,000</u>	<u>21,286,500,000</u>

RESERVE FUND ACCOUNT

	Rs.	Rs.
By balance on 30th June, 1995	3,650,000,000	2,650,000,000
By transfer from Profit and Loss Account	350,000,000	1,000,000,000
	<hr/>	<hr/>
Total	4,000,000,000	3,650,000,000

FARHAT SAEED

Director of Accounts

MAHFOOZ ALAM

Deputy Governor

DR. MUHAMMAD YAQUB

Governor

Dated the 22nd day of August, 1996

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS
OF THE STATE BANK OF PAKISTAN

We have examined the above balance sheets of Issue Department and Banking Department of the State Bank of Pakistan as at June 30, 1996 and also the annexed profit and loss account for the year ended on that date with the books and records maintained at Central Directorate and with returns submitted and certified by the Chief Managers of the respective offices and branches including returns received from Dacca Office and Chittagong, Sylhet and Rajshahi Branches till December 3, 1971 and Khulna and Bogra Branches till November 26, 1971. The Books of account of Karachi, Quetta and Faisalabad Offices were audited by M/s. Taseer Hadi Khalid & Co., and of Lahore, Peshawar and Rawalpindi Offices by M/s. Sidat Hyder Qamar Maqbool & Co., while the books of the Central Directorate were audited jointly.

(2) Events have rendered impossible the verification of assets held with the Reserve Bank of India pending transfer to Pakistan and balances pertaining to transactions in Former East Pakistan included in the balance sheets of the Issue and Banking Departments. Realisability of the aforesaid balances is subject to a final settlement between the Government of Pakistan and the Government of India and Bangladesh respectively.

(3) Subject to the contents of the preceding paragraph we report that, in our opinion, the balance sheets are full and fair balance sheets containing all necessary particulars prescribed by the State Bank of Pakistan Act, 1956 and are properly drawn up in accordance with the Act and such balance sheets exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank.

Sidat Hyder Qamar Maqbool & Co.
Chartered Accountants

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi, the 22nd day of August, 1996.

**LIST OF SCHEDULED BANKS OPERATING IN PAKISTAN
AS ON 30TH JUNE, 1996**

PAKISTANI BANKS:

1. Allied Bank of Pakistan Limited.
2. First Women Bank Limited.
3. Habib Bank Limited.
4. Muslim Commercial Bank Limited.
5. National Bank of Pakistan.
6. United Bank Limited.
7. Agricultural Development Bank of Pakistan.
8. Federal Bank for Co-operatives.
9. Industrial Development Bank of Pakistan.
10. Punjab Provincial Co-operative Bank Limited.
11. Bank Al-Habib Limited.
12. Union Bank Limited.
13. Indus Bank Limited.
14. Bolan Bank Limited.
15. Prime Commercial Bank Limited.
16. Soneri Bank Limited.
17. Askari Commercial Bank Limited.
18. Metropolitan Bank Limited.
19. Habib Credit & Exchange Bank Limited.
20. Schon Bank Limited.
21. The Bank of Punjab.
22. The Bank of Khyber.
23. Faysal Bank Limited.
24. Platinum Commercial Bank Limited.
25. Prudential Commercial Bank Limited.

FOREIGN BANKS:

1. American Express Bank Limited.
2. ABN AMRO Bank N.V.
3. Bank of America (N.T. & S.A)
4. Mashreq Bank P.S.C.
5. Banque Indosuez.
6. The Bank of Tokyo-Mitsubishi Limited.
7. Citibank N.A.
8. Deutsche Bank A.G.
9. ANZ Grindlays Bank p.I.c.
10. The Hongkong & Shanghai Banking Corporation Ltd.
11. Rupali Bank Limited.
12. Standard Chartered Bank.
13. Emirates Bank International Public Joint Stock Company
14. International Finance Investment & Commerce Bank Limited.
15. Doha Bank Limited.
16. Habib Bank A.G. Zurich.
17. Pan African Bank Limited.
18. Societe Generale (The French and International Bank).
19. Al-Baraka Islamic Investment Bank
20. The Bank of Ceylon
21. Oman International Bank S.A.O.G
22. Trust Bank Limited.

STATISTICAL ANNEXURE

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SELECTED ECONOMIC INDICATORS

1. SELECTED ECONOMIC

I T E M		1988-89	1989-90	1990-91	1991-92
1. G.N.P. at Current Factor Cost	Million rupees	711,143	796,751	932,282	1,090,480
2. G.N.P. at Constant Factor Cost of 1980-81	"	418,881 (4.07)	439,647 (4.96)	455,462 (3.60)	485,362 (6.56)
3. Index of Agricultural Production (1980-81=100)		134	134	142	161
4. Index of Manufacturing Output (1980-81=100)		183.4	192.1	202.5	218.5
5. Monetary Assets #	Million rupees	281,638 (4.56)	317,221 (12.63)	368,783 (16.25)	480,544 (30.31)
6. Scheduled Banks' Demand and Time Deposits (excluding inter-bank deposits) #	"	221,197 (4.87)	248,882 (12.52)	304,220 (22.23)	393,321 (29.29)
7. Bank Credit #	"	179,397 (9.28)	209,566 (16.82)	238,316 (13.71)	273,631 (14.82)
8. Call Money Rate	%	6.25	7.25	5.64	3.79
9. Weighted Average Rates of Return on Scheduled Banks' Deposits	%	6.00	6.20	6.00	6.38 @
10. Weighted Average Rates of Return on Scheduled Banks' Advances	%	11.33	10.59	10.77	13.32 @
11. Combined Consumer Price Index-General (1990-91=100)					110.58
12. Wholesale Price Index (1980-81=100)		173.50	186.16	207.99	227.26
13. SBP General Index of Share Prices (1990-91=100) (Last Thursday)				114.92 ^x	188.50
14. Exports	Million US dollars	4,205.2	4,964.7	6,167.0	6,912.2
15. Imports	"	6,334.3	6,941.1	7,631.2	9,253.3
16. Balance of Payments (Current A/c)	"	(-),347	(-),353	(-),368	(-),049
17. Terms of Trade (1980-81=100)		89.58	89.73	77.95	82.73
18. Gold and Foreign Exchange Reserves	"	1,227	1,451	1,390	1,761
19. Exchange Rate (End June SBP Rate to Authorised Dealers) *	Rs. per US dollar	21.1528	21.9257	24.1241	25.1891
20. Federal Government Revenue Receipts (Net)	Million rupees	119,146	132,646	136,551	158,599
21. Federal Government Revenue Expenditure	"	167,094	165,241	189,278	211,690
22. Federal Government Development Outlays **	"	55,272	53,706	61,627	84,582

Last working day.

* Mid-point of spot buying and selling.

x Figure pertains to 3rd July 1991.

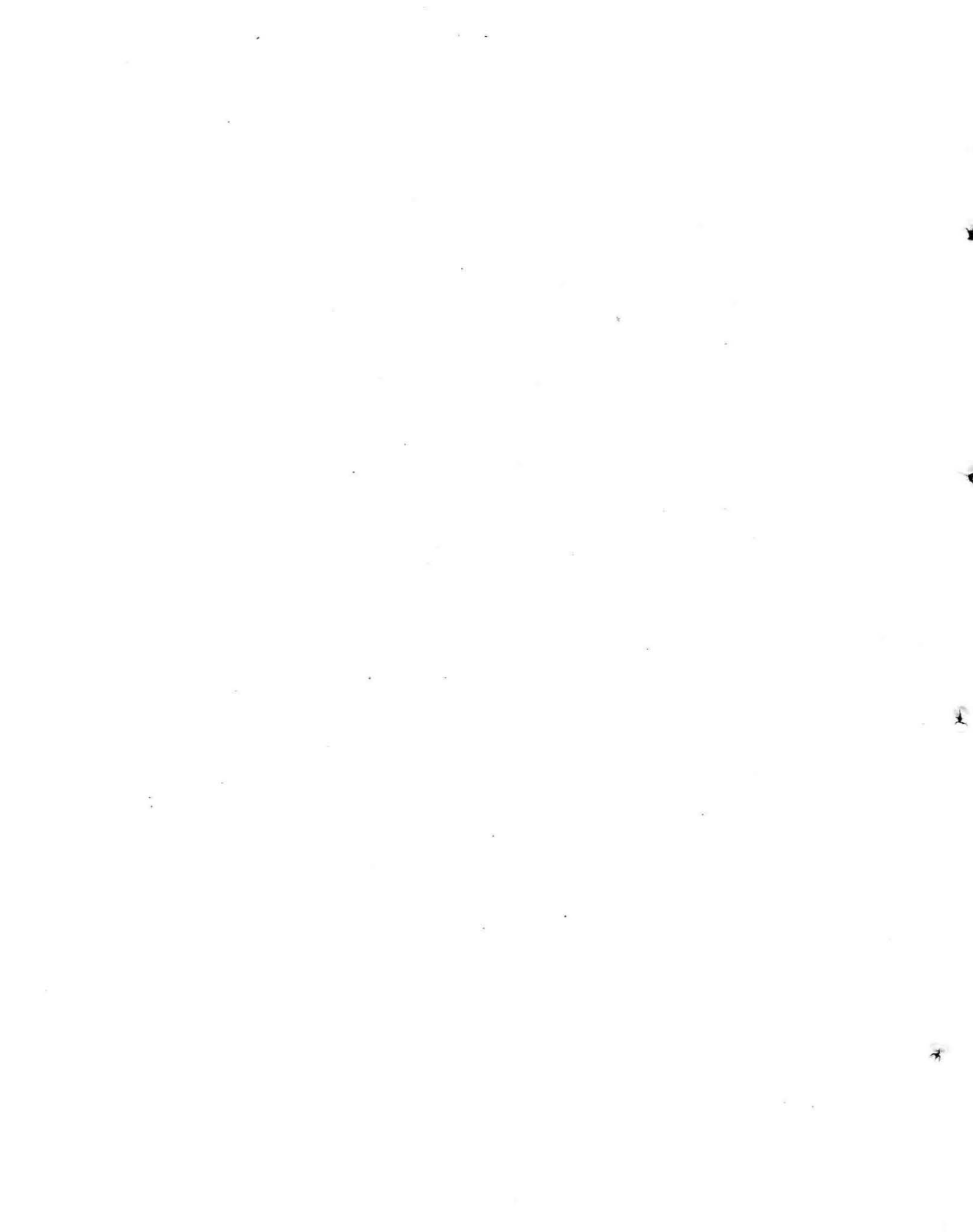
** From 1980-81, Federal Government Development outlays exclude loan for Private Sector Projects.

INDICATORS

1992-93	1993-94	1994-95	1995-96		I T E M
1,210,089	1,416,512	1,686,681R	1,964,922 P	Million rupees	1. G.N.P. at Current Factor Cost
495,059 (2.00)	514,826 (3.99)	540,499 R (4.99)	572,464 P (5.91)	..	2. G.N.P. at Constant Factor Cost of 1980-81
141	143	152	167		3. Index of Agricultural Production (1980-81=100)
227.5	237.2	238.3	245.7E		4. Index of Manufacturing Output (1980-81=100)
567,169 (18.03)	662,805 (16.86)	772,998 (16.63)	888,238 (14.91)	Million rupees	5. Monetary Assets #
472,865 (20.22)	575,352 (21.67)	683,418 (18.78)	808,604 (18.32)	..	6. Scheduled Banks' Demand and Time Deposits (excluding inter-bank deposits) #
353,141 (29.06)	400,351 (13.37)	473,460 (18.26)	537,242 (13.47)	..	7. Bank Credit #
12.12	10.14	11.69	9.02	%	8. Call Money Rate
6.09	6.17	6.25	6.35 @	%	9. Weighted Average Rates of Return on Scheduled Banks' Deposits
13.32	13.66	13.74	13.91@	%	10. Weighted Average Rates of Return on Scheduled Banks' Advances
121.45	135.14	152.73	169.21		11. Combined Consumer Price Index-General (1990-91=100)
243.42	280.02	325.64	359.27		12. Wholesale Price Index (1980-81=100)
161.72	290.23	186.85	171.39		13. SBP General Index of Share Prices (1990-91=100) (Last Thursday)
6,819.3	6,812.8	8,141.6	8,707.1	Million US dollars	14. Exports
9,963.2	8,561.6	10,401.4	11,804.9	..	15. Imports
(-)3,327	(-)1,651	(-)2,163	(-)4,244	..	16. Balance of Payments (Current A/c)
80.58	82.03	88.55	90.46	..	17. Terms of Trade (1980-81=100)
1,369	3,337	3,730	3,251	..	18. Gold and Foreign Exchange Reserves
27.1477	30.7247	31.0517	35.0570	Rs. per US dollar	19. Exchange Rate (End June SBP Rate to Authorised Dealers) *
177,532	193,133	223,596 T	260,612	Million rupees	20. Federal Government Revenue Receipts (Net)
248,536	268,025	315,715	379,661	..	21. Federal Government Revenue Expenditure
82,380	88,398	95,486	95,618	..	22. Federal Government Development Outlays **

P Provisional
R Revised
T Provisional actual
@ Relates to end December
E Estimated

Note Figures in parenthesis indicate percentage over the previous year.



ECONOMIC GROWTH, SAVINGS AND INVESTMENT

2.1 GROSS NATIONAL PRODUCT

(Million Rupees)

SECTOR	AT CURRENT FACTOR COST					AT CONSTANT FACTOR COST OF 1980-81				
	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P
Agriculture	282,374	297,814	357,924	434,899	510,775	125,425	118,795	125,005	132,349	141,269
Major Crops	125,441	116,209	139,480	177,969	203,953	63,213	53,354	54,018	58,714	63,973
Minor Crops	46,525	51,513	63,467	69,216	91,146	20,290	21,092	23,754	24,288	25,471
Livestock	100,726	117,792	141,683	173,047	198,381	36,133	38,308	40,599	42,848	45,252
Fishing	7,158	9,536	10,097	10,450	13,689	4,650	4,909	5,442	5,047	5,468
Forestry	2,524	2,764	3,197	4,217	3,606	1,139	1,132	1,192	1,452	1,105
Mining and Quarrying	7,117	7,403	8,664	8,971	11,348	2,565	2,642	2,765	2,646	2,866
Manufacturing	186,832	207,273	246,860	286,696	325,420	85,324	89,889	94,734	97,487	102,170
Large Scale	130,252	142,006	171,582	198,589	222,566	61,051	63,577	66,212	66,569	68,655
Small Scale	56,580	65,276	75,278	88,107	102,854	24,273	26,312	28,522	30,918	33,515
Construction	43,812	49,807	55,246	60,985	69,271	19,566	20,701	21,040	21,253	22,209
Electricity and Gas	36,557	38,627	40,927	51,527	64,002	16,823	17,897	18,464	20,519	23,265
Transport, Storage and Communication	100,956	127,508	149,264	166,904	190,409	47,189	50,333	52,174	53,635	55,809
Wholesale and Retail Trade	178,040	195,301	229,301	273,763	324,364	78,760	81,061	83,340	86,693	93,855
Finance and Insurance	30,672	35,428	47,024	53,411	61,141	10,343	11,065	12,629	13,001	13,514
Ownership of Dwellings	46,207	53,652	62,011	72,164	82,866	25,588	26,939	28,361	29,858	31,435
Public Administration & Defence	85,472	94,560	105,298	130,701	156,607	32,495	33,295	33,759	34,814	35,824
Services	79,904	92,756	110,005	131,629	155,407	36,335	38,708	41,236	43,929	46,798
Gross Domestic Product (FC)	1,077,943	1,200,129	1,412,524	1,671,650	1,951,630	480,413	491,325	513,507	536,184	569,014
Indirect Taxes	144,815	151,300	169,295	200,544	230,050	63,722	62,156	60,458	61,584	64,024
Subsidies	11,373	9,800	9,056	6,599	6,773	5,004	4,026	3,234	2,026	1,885
Gross Domestic Product (MP)	1,211,385	1,341,629	1,572,763	1,865,595	2,174,907	539,131	549,455	570,731	595,742	631,153
Net Factor Income from Abroad	12,537	9,960	3,988	15,031	13,292	4,949	3,734	1,319	4,315	3,450
Gross National Product (FC)	1,090,480	1,210,089	1,416,512	1,686,681	1,964,922	485,362	495,059	514,826	540,499	572,464
Gross National Product (MP)	1,223,922	1,351,589	1,576,751	1,880,626	2,188,199	544,080	553,189	572,050	600,057	634,603
Population (in millions)	117.08	120.59	124.15	127.75	131.45	117.08	120.59	124.15	127.75	131.45
Per Capita Income(FC) (in Rupees)	9,314	10,035	11,410	13,203	14,948	4,146	4,105	4,147	4,231	4,355
Per Capita Income(MP) (in Rupees)	10,454	11,208	12,700	14,721	16,646	4,647	4,587	4,608	4,697	4,828

P Provisional
R Revised
FC Factor Cost
MP Market Price

Source: Federal Bureau of Statistics.

2.2 EXPENDITURE ON GROSS NATIONAL PRODUCT

(Million Rupees)

SECTOR	AT CURRENT PRICES					AT CONSTANT PRICES OF 1980-81				
	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P
Total Consumption Expenditure	1,005,521	1,145,659	1,310,404	1,572,392	1,915,684	436,652	455,388	453,172	493,426	550,769
Private Consumption Expenditure	849,954	970,979	1,121,302	1,353,267	1,652,448	376,245	384,254	389,303	426,066	479,612
General Government Consumption Expenditure	155,567	174,680	189,102	219,125	263,236	60,407	71,134	63,869	67,360	71,157
Gross Domestic Fixed Capital Formation	225,360	256,644	280,877	320,896	390,030	91,640	96,420	95,548	98,332	109,730
Changes in Stocks	18,700	21,100	24,600	28,200	35,171	8,678	8,668	8,785	8,660	9,788
Exports of Goods and Non-Factor Services	209,215	217,372	254,187	306,180	368,524	99,821	101,136	104,282	99,254	99,615
Less Imports of Goods and Non-factor Services	247,411	299,146	297,305	362,073	534,502	97,660	112,157	100,056	103,930	138,749
Expenditure on Gross Domestic Product at Market Prices	1,211,385	1,341,629	1,572,763	1,865,595	2,174,907	539,131	549,455	570,731	595,742	631,153
Plus Net Factor Income from/to rest of the World	12,537	9,960	3,988	15,031	13,292	4,949	3,734	1,319	4,315	3,450
Expenditure on Gross National Product at Market Prices	1,223,922	1,351,589	1,576,751	1,880,626	2,188,199	544,680	553,189	572,050	600,057	634,603
Less Indirect Taxes	144,815	151,300	169,295	200,544	230,050	63,722	62,156	60,458	61,584	64,024
Plus Subsidies	11,373	9,800	9,056	6,599	6,773	5,004	4,026	3,234	2,026	1,885
Gross National Product at Factor Cost	1,090,480	1,210,089	1,416,512	1,686,681	1,964,922	485,362	495,059	514,826	540,499	572,464
Provision for Fixed Capital Consumption	75,062	86,734	100,719	118,023	138,474	33,604	37,265	38,514	39,833	42,642
Net National Product at Factor Cost	1,015,418	1,123,355	1,315,793	1,568,658	1,826,448	451,758	457,794	476,312	500,666	529,822

P Provisional
R Revised

(1) The series may not be comparable with similar series given in earlier reports due to revisions by the Federal Bureau of Statistics.

(2) The figures of exports and imports used in this table are based on trade statistics which are compiled on the basis of actual entry of imports and actual exit of exports from the country. The deficit on the current account of the balance of payment computed from these data does not equal the estimates of external resource inflow provided by the planning division (Table-2.4) as the latter is based on balance of payment data compiled on the basis of payments for imports and receipts from exports.

(3) The figure of net factor income from abroad given in the table includes the imputed value of accompanied personal baggage whereas Planning Division's estimates of this variable (Difference of national and domestic savings given in Table-2.4) excludes personal baggage. Hence the two figures are not comparable.

Source: Federal Bureau of Statistics.

2.3 GROSS FIXED CAPITAL FORMATION

(Million Rupees)

SECTOR	AT CURRENT MARKET PRICES					AT CONSTANT MARKET PRICES OF 1980-81				
	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P	1991-92	1992-93	1993-94	1994-95 ^R	1995-96 ^P
TOTAL (I+II)	225,360	256,644	280,877	320,896	390,030	91,640	96,420	95,548	98,332	109,730
I. Private Sector	118,878	134,768	150,369	165,807	214,619	44,903	46,551	47,539	47,360	56,944
Agriculture	14,831	16,631	18,438	22,426	23,671	6,498	6,709	6,591	7,312	7,129
Mining and Quarrying	321	371	468	558	647	145	159	174	190	208
Manufacturing	55,347	60,059	66,901	73,493	100,757	17,111	16,941	17,554	17,475	22,739
(i) Large Scale	49,569	53,350	58,508	63,670	89,105	14,468	14,076	14,448	14,108	19,089
(ii) Small Scale	5,778	6,709	8,393	9,823	11,652	2,643	2,865	3,106	3,367	3,650
Construction	4,306	6,800	8,225	7,240	6,161	936	1,326	1,572	1,193	1,000
Electricity and Gas	--	571	2,911	3,201	16,460	--	242	1,077	1,083	5,090
Transport & Communication	10,001	11,246	8,577	7,585	8,721	4,316	4,596	3,174	2,373	2,470
Wholesale and Retail Trade	1,661	1,935	2,332	2,863	3,415	770	839	914	1,008	1,085
Financial Institutions	24,249	27,938	31,325	35,282	39,335	11,442	11,817	12,305	12,275	12,481
a. Ownership of Dwellings	23,759	27,372	30,470	34,024	37,859	11,266	11,575	11,969	11,838	12,013
b. Real Estate	26	30	37	47	54	12	13	15	16	17
c. Finance and Insurance	464	536	8,118	1,211	1,422	164	229	321	421	451
Services	8,162	9,217	11,195	13,159	15,452	3,685	3,922	4,178	4,451	4,742
II. Public Sector (A+B)	106,482	121,876	130,508	155,089	175,411	46,737	49,869	48,009	50,972	52,786
(A) Public Enterprises (Autonomous and Semi Autonomous Bodies)	63,504	73,405	79,650	96,556	111,093	26,807	29,471	28,398	31,101	32,691
Agriculture	3,226	3,892	5,964	6,998	8,585	1,413	1,570	2,132	2,282	2,586
Mining and Quarrying	3,478	3,008	4,519	7,052	10,530	1,569	1,288	1,680	2,401	3,286
Manufacturing	3,193	3,374	2,948	2,457	3,747	899	921	749	548	815
(i) Large Scale	3,029	3,186	2,775	2,427	3,627	824	841	685	538	777
(ii) Small Scale	164	188	173	30	120	75	80	64	10	38
Construction	3,737	3,142	3,930	3,751	4,035	813	613	751	618	656
(i) Indus Basin	160	81	51	26	78	35	16	10	4	13
(ii) Others	3,577	3,061	3,879	3,725	3,957	778	597	741	614	643
Electricity and Gas	30,881	33,076	37,412	49,510	55,063	14,036	14,024	13,842	16,751	17,028
Transport & Communication	15,800	23,662	20,655	22,753	25,151	6,824	9,670	7,642	7,119	7,123
(i) Railways	2,191	2,188	2,236	3,234	3,368	946	894	827	1,012	954
(ii) Post Office and PTC	6,290	13,223	9,238	10,521	14,999	2,714	5,404	3,418	3,292	4,248
(iii) Others	7,319	8,251	9,181	8,998	6,784	3,164	3,372	3,397	2,815	1,921
Wholesale and Retail Trade	294	63	115	96	173	135	27	45	34	55
Financial Institutions	711	1,239	1,247	1,700	1,482	332	530	490	591	470
Services	2,184	1,949	2,860	2,239	2,327	786	829	1,067	757	714
(B) General Government	42,978	48,471	50,858	58,533	64,318	19,930	20,398	19,611	19,871	20,095
(i) Federal	13,378	14,459	15,790	19,586	23,212	6,204	6,085	6,089	6,649	7,252
(ii) Provincial	23,029	26,961	27,675	31,195	32,215	10,679	11,346	10,671	10,590	10,065
(iii) Local Bodies	6,571	7,051	7,393	7,752	8,891	3,047	2,967	2,851	2,632	2,778

P Provisional

R Revised

Source: Federal Bureau of Statistics.

2.4 INVESTMENT AND SAVINGS AT CURRENT PRICES

(Million Rupees)

	1990-91	1991-92	1992-93	1993-94	1994-95R	1995-96P
1. Gross Total Investment	193,446	244,060	277,744	305,477	349,096	425,201
2. Changes in Stocks	15,800	18,700	21,100	24,600	28,200	35,171
3. Gross Fixed Investment	177,646	225,360	256,644	280,877	320,896	390,030
(a) Public Sector	86,420	106,482	121,876	130,508	155,089	175,411
(b) Private Sector	91,226	118,878	134,768	150,369	165,807	214,619
4. Net External Resource Inflow	48,674	37,250	95,740	59,272	74,075	126,592
5. National Savings	144,773	206,809	182,004	246,205	275,021	298,609
(a) Public Savings	7,164	51,769	20,161	40,325	38,179	54,229
(i) General Government	-13,331	9,818	-14,117	-3,867	3,989	-6,929
(ii) Others	20,495	41,951	34,278	44,192	34,191	61,159
(b) Private Savings	137,609	155,040	161,843	205,880	236,842	244,380
(i) Household	122,747	137,986	143,231	181,586	208,895	215,543
(ii) Corporate	14,862	17,054	18,612	24,294	27,947	28,837
6. Net Factor Income	15,470	5,045	1,661	-4,585	4,227	-15,845
7. Domestic Savings	129,303	201,764	180,343	250,790	270,794	314,454
8. GDP (at market prices)	1,020,600	1,211,385	1,341,629	1,572,763	1,865,595	2,174,907
9. GNP (at market prices)	1,044,508	1,223,922	1,351,589	1,576,751	1,880,626	2,188,199
ANNUAL PERCENTAGE CHANGES						
1. Gross Total Investment	19.4	26.2	13.8	10.0	14.3	21.8
2. Gross Fixed Investment	20.0	26.9	13.9	9.4	14.2	21.5
(a) Public Sector	20.8	23.2	14.5	7.1	18.8	13.1
(b) Private Sector	19.2	30.3	13.4	11.6	10.3	29.4
3. Net External Resource Inflow	20.0	-23.5	157.0	-38.1	25.0	70.9
4. National Savings	19.1	42.9	-12.0	35.3	11.7	8.6
(a) Public Savings	-70.6	622.6	-61.1	100.0	-5.3	42.0
(i) General Government	-255.1	-173.6	-243.8	-72.6	-203.1	-273.7
(ii) Others	30.2	104.7	-18.3	28.9	-22.6	78.9
(b) Private Savings	-41.6	12.7	4.4	27.2	15.0	3.2
(i) Household	41.3	12.4	3.8	26.8	15.0	3.2
(ii) Corporate	44.3	14.7	9.1	30.5	15.0	3.2
5. Net Factor Income	-26.2	-67.4	-67.1	-376.0	-192.2	-474.9
6. Domestic Savings	28.6	56.0	-10.6	39.1	8.0	16.1
7. GDP (at market prices)	19.2	18.7	10.8	17.2	18.6	16.6
8. GNP (at market prices)	17.0	17.2	10.4	16.7	19.3	16.4
AS PERCENTAGE OF GNP						
1. Gross Total Investment	18.5	19.9	20.5	19.4	18.6	19.4
2. Gross Fixed Investment	17.0	18.4	19.0	17.8	17.1	17.8
(a) Public Sector	8.3	8.7	9.0	8.3	8.2	8.0
(b) Private Sector	8.7	9.7	10.0	9.5	8.8	9.8
3. Net External Resource Inflow	4.7	3.0	7.1	3.8	3.9	5.8
4. National Savings	13.9	16.9	13.5	15.6	14.6	13.6
(a) Public Savings	0.7	4.2	1.5	2.6	2.0	2.5
(i) General Government	-1.3	0.8	-1.0	-0.2	0.2	-0.3
(ii) Others	2.0	3.4	2.5	2.8	1.8	2.8
(b) Private Savings	13.2	12.7	12.0	13.1	12.6	11.2
(i) Household	11.8	11.3	10.6	11.5	11.1	9.9
(ii) Corporate	1.4	1.4	1.4	1.5	1.5	1.3
5. Net Factor Income	1.5	0.4	0.1	-0.3	0.2	-0.7
AS PERCENTAGE OF GDP						
1. Domestic Savings	12.7	16.7	13.4	15.9	14.5	14.5
AS PERCENTAGE OF GROSS TOTAL INVESTMENT						
1. Net External Resource Inflow	25.2	15.3	34.5	19.4	21.2	29.8
2. National Savings	74.8	84.7	65.5	80.6	78.8	70.2

R Revised
P Provisional

Source: Planning and Development Division, Islamabad.

2.5 AREA, PRODUCTION AND YIELD OF MAJOR AGRICULTURAL CROPS

CROP	1991-92			1992-93			1993-94			1994-95R			1995-96P		
	Area	Production	Yield	Area	Production	Yield	Area	Production	Yield	Area	Production	Yield	Area	Production	Yield
Food Crops															
Wheat	7,878	15,684	1,990	8,300	16,157	1,946	8,034	15,213	1,893	8,170	17,002	2,081	8,292	17,146	2,068
Rice	2,097	3,243	1,546	1,973	3,116	1,579	2,187	3,995	1,826	2,125	3,447	1,622	2,162	3,966	1,834
Maize	848	1,203	1,419	868	1,184	1,364	879	1,213	1,380	890	1,318	1,481	881	1,284	1,457
Gram	997	513	514	1,008	347	344	1,045	411	393	1,065	559	525	1,119	680	608
Bajra	313	139*	443	487	203	416	303	138	453	509	228	448	407	162	398
Jowar	383	225	586	403	238	590	365	212	582	438	263	601	418	255	610
Barley	149	140	938	160	158	992	151	146	967	165	164	960	165	166	1,006
Fibre Crop															
Cotton*	2,836	12,822	769	2,836	9,054	543	2,805	8,041	488	2,653	8,697	558	2,997	10,630	603
Other Crops															
Sugarcane	896	38,865	43,376	885	38,059	43,005	963	44,427	46,134	1,009	47,168	46,747	963	45,229	46,967
Rapeseed and Mustard															
Mustard	287	220	767	285	207	727	269	197	735	301	229	761	315	242	768
Sesamum	70	29	412	82	34	414	73	32	441	80	36	450	89	39	438
Tobacco	54	97	1,807	58	100	1,745	57	100	1,746	47	81	1,723	47	80	1,702

* Production in '000' bales (1 bale = 375 lbs. or 170.09711 Kgs.)
 R Revised
 P Provisional

Source: Ministry of Food, Agriculture & Livestock(Economic Wing).

2.6 QUANTUM INDEX NUMBERS OF MAJOR AGRICULTURAL CROPS (1980-81 = 100)

CROP	1991-92	1992-93	1993-94	1994-95R	1995-96P
All Crops	161	141	143	152	167
Food Crops	126	124	129	138	147
Wheat	135	139	133	149	154
Rice	110	103	132	121	137
Maize	121	119	122	132	129
Gram	152	103	122	166	189
Bajra	65	95	64	106	88
Jowar	98	104	92	115	106
Barley	84	95	87	97	99
Fibre Crop	306	216	192	208	253
Cotton	306	216	192	208	253
Other Crops	120	118	134	140	140
Sugarcane	120	118	138	146	142
Rapeseed and Mustard	87	82	78	91	96
Sesamum	158	188	177	199	216
Tobacco	144	151	149	119	153

R Revised
P Provisional

Source: Federal Bureau of Statistics.

2.7 PRODUCTION OF SELECTED MANUFACTURED GOODS AND MINERALS

ITEM	UNIT	1991-92	1992-93	1993-94	1994-95R	1995-96P
Manufactured goods						
Cotton Yarn	Million Kilograms	1170.1	1219.0	1309.6	1369.7	1216.8*
Cotton Cloth	Million Sq. Metres	307.9	325.4	314.9	321.8	270.6*
Jute Goods	Thousand Tonnes	100.9	97.5	76.4	67.3	70.6
Vegetable Ghee	-do-	639.0	725.0	671.0	678.0	717.0
Cooking Oil	-do-	67.6	75.5	83.0	76.0	88.0
Sugar	-do-	2322.5	2397.3	2922.5	3001.4	2470.0
Beverages	Million Bottles	1023.2	1677.9	1364.4	1642.9	1386.2@
Cigarettes	Billion Numbers	29.7	30.0	35.9	32.7	44.7
Cement	Thousnad Tonnes	8321.0	8558.0	8156.2	8472.0	9566.0
Pig Iron	-do-	1048.1	1098.2	1252.7	1044.7	1002.2
Coke	-do-	737.2	716.4	771.6	701.5	685.6
Fertilizers	-do-	2794.7	3203.5	3874.8	3825.7	4167.5
Urea	-do-	1898.0	2306.1	3103.8	3000.2	3260.1
Ammonium Sulphate	-do-	92.9	92.9	82.0	79.6	83.7
Ammonium Nitrate	-do-	300.0	302.2	242.7	313.9	383.5
Nitro-Phosphate	-do-	309.8	297.3	251.4	285.0	336.5
Super-Phosphate	-do-	194.0	205.0	195.1	147.0	103.7
Chemicals	-do-	371.8	373.3	384.5	365.5	391.0
Soda Ash	-do-	185.9	186.2	187.3	184.6	213.6
Caustic Soda	-do-	82.0	81.4	89.1	92.7	109.0
Chlorine Gas	-do-	6.1	5.9	5.8	7.8	9.1
Sulphuric Acid	-do-	97.6	99.8	102.3	80.4	59.3
Paper & Board	-do-	177.5	213.1	208.8	225.8	225.6 E
Cycle Tyres & Tubes	Thousand Numbers	9508	9438	10063	8669	9582
Motor Tyres & Tubes	-do-	1402	1262	1489	1745	1912
Tractors	Numbers	9817	17127	14656	17194	16208
Trucks/Buses	-do-	2743	3424	1821	1040	1712
Motorcycle	Thousand Numbers	84.3	88.3	64.0	53.0	85.0
Bicycle	-do-	478.4	573.7	563.7	474.5	554.1
Electric Transformers	-do-	21.2	21.9	17.9	23.0	22.7
Minerals						
Natural Gas	Billion Cubic Metres	15.6	16.5	17.8	17.7	17.8
Crude Oil	Million U.S. Barrels	22.4	21.9	20.7	19.9	21.0
Coal	Thousand Tonnes	3073	3074	3214	3010	3144
Rock Salt	-do-	833	895	916	890	968
Gypsum	-do-	471	533	665	624	403
Limestone	-do-	8528	9015	9125	9839	9738
China Clay	-do-	42	37	48	30	..
Chromite	-do-	28	23	11	15	22
Silica Sand	-do-	132	158	169	152	174

R Revised
P Provisional
* July - April
@ July - May
E Estimated

Source: (i) Federal Bureau of Statistics.
(ii) Ministry of Industries.

2.8 QUANTUM INDEX NUMBERS OF MANUFACTURING AND MINING (1980-81 = 100)

Year/Month	Manufacturing										Mining	
	Vegetable Products	Blended Tea	Ciga- rettes	Cotton Yarn	Cotton Cloth	Jute Goods	Paper & Board	Ferti- lizers	Cement	Auto- mobiles	Overall	
1991-92	123.6	133.5	82.7	312.2	100.0	203.9	249.3	180.1	228.2	339.7	218.5	277.8
1992-93	140.3	141.8	92.8	325.1	105.7	196.6	371.6	209.2	237.5	342.8	227.5	278.4
1993-94	130.9	138.4	100.0	349.3	102.3	154.9	373.1	261.6	230.9	245.0	237.2	275.2
1994-95	131.2	128.4	91.2	365.3	104.5	138.8	443.0	258.0	238.9	253.2	238.3	268.8
1995-96											245.7E	281.5P
1995 Apr.	119.1	146.4	102.6	384.9	104.7	168.6	330.3	257.1	292.5	355.9	270.0	
May	104.6	125.1	105.2	372.3	97.6	141.5	397.0	301.0	245.1	283.1	214.0	
Jun.	127.0	131.6	96.0	351.9	95.8	168.3	459.3	258.4	260.3	290.1	224.1	
Jul.	107.4	113.9	117.1	366.9	90.9	148.9	299.6	257.2	225.8	291.5	200.7	
Aug.	161.8	117.5	128.4	358.0	99.6	128.9	368.0	269.2	232.9	290.9	205.3	
Sep.	148.3	123.3	103.2	348.1	96.6	125.5	420.8	282.3	231.9	249.9	201.8	
Oct.	159.9	163.7	135.6	379.0	100.0	152.8	436.2	300.2	284.7	355.0	225.0	
Nov.	141.2	100.8	134.9	392.2	102.5	136.6	550.2	277.9	272.5	340.0	267.9	
Dec.	148.8	116.6	137.2	416.5	114.5	139.9	449.3	284.3	286.4	306.9	312.9	
1996 Jan.	147.3	160.2	96.9	443.6	115.4	166.7	394.3	279.7	261.0	337.0	297.8	
Feb.	132.3	102.9	110.9	418.3	104.5	127.7	423.9	275.5	220.0	263.7	275.9	
Mar.	141.8	129.6	134.2	436.4	115.9	170.6	400.7	280.4	295.9	405.6	293.0	
Apr.	142.1	152.1	127.3	418.5	115.2	153.5	340.6	278.4	300.3	432.1	234.0	

E Estimated
P Provisional

Source: Federal Bureau of Statistics.

PRICES

3.1 COMBINED CONSUMER PRICE INDEX NUMBERS BY COMMODITY GROUPS (ALL URBAN)

(1990-91=100)

Year/Month	General	Food Bever- ages and Tobacco	Apparel Textile and Footwear	House Rent	Fuel & Lighting	Household Furniture & Equipment	Transporta- tion & Communi- cation	Recreation, Enter. & Education	Cleaning Laundry P/Appearn	Medicine
1991-92	110.58	110.64	112.84	110.53	110.28	109.26	110.35	109.91	108.77	109.89
1992-93	121.45	123.81	122.58	122.03	115.69	117.66	114.04	113.08	118.66	116.89
1993-94	135.14	137.59	131.66	134.00	133.61	124.27	127.60	120.68	136.53	150.92
1994-95	152.73	160.59	146.86	147.93	142.47	137.18	135.17	130.17	150.79	163.54
1995-96	169.21	176.86	164.12	161.74	163.51	155.41	148.39	150.59	172.68	179.16
1995 Jul.	160.98	168.06	155.83	155.30	159.35	146.67	138.75	140.88	161.12	169.82
Aug.	164.23	173.31	156.49	156.40	160.19	148.02	139.94	141.30	163.83	175.38
Sep.	165.70	174.78	159.23	157.56	160.43	148.85	140.30	146.22	165.88	176.52
Oct.	165.88	173.86	159.56	158.61	161.86	150.77	142.91	147.67	166.82	176.63
Nov.	167.66	176.07	161.81	159.73	162.88	153.64	143.51	150.00	168.38	177.48
Dec.	168.78	176.54	164.28	161.00	163.78	155.67	144.05	151.24	174.13	177.96
1996 Jan.	169.41	176.88	165.35	162.24	164.56	156.97	152.35	152.00	175.58	179.22
Feb.	170.60	177.38	166.86	163.46	165.07	158.15	152.63	151.97	176.15	179.71
Mar.	172.90	181.04	167.87	164.68	164.95	159.19	153.89	153.04	177.38	181.99
Apr.	174.30	182.39	169.80	165.97	165.41	160.30	155.27	155.40	178.35	184.55
May	174.95	181.85	170.84	167.26	166.56	162.76	158.03	158.48	181.58	184.86
Jun.	175.14	181.13	171.50	168.65	167.07	163.97	159.03	158.90	182.92	185.82

Source: Federal Bureau of Statistics.

3.2 INDEX NUMBERS OF WHOLESALE PRICES BY COMMODITY GROUPS (1980-81=100)

Year/Month	General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufac- tures	Building Materials
1991-92	227.26	225.48	216.90	229.14	237.24	209.31
1992-93	243.42	249.32	235.07	231.84	245.72	213.99
1993-94	280.02	284.45	292.83	283.85	272.09	239.16
1994-95	325.64	337.39	339.44	310.26	311.45	286.55
1995-96	359.27	374.90	354.33	368.31	333.65	312.23
1995 Jul.	343.31	355.19	350.93	354.77	318.92	297.61
Aug.	348.56	366.79	346.30	354.78	318.03	298.51
Sep.	352.72	371.40	356.30	354.78	321.09	308.83
Oct.	351.16	369.58	339.15	363.34	320.62	308.65
Nov.	354.82	370.30	346.96	363.37	330.21	312.39
Dec.	355.91	371.58	343.60	363.39	333.33	310.93
1995 Jan.	356.60	373.35	341.34	363.40	332.52	315.40
Feb.	359.27	376.78	340.55	375.05	331.71	311.93
Mar.	366.49	381.63	362.20	375.41	342.77	313.81
Apr.	372.44	387.83	378.76	380.59	345.20	317.90
May	373.33	383.98	375.82	386.55	353.01	325.07
Jun.	376.64	390.44	370.03	384.34	356.38	325.78

Source: Federal Bureau of Statistics.

3.3 SENSITIVE CONSUMER PRICE INDICATOR OF 46 ESSENTIAL ITEMS (1990-91=100)

PERIOD	General			Industrial			Commercial			Government		
	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96
July	129.90	148.37	168.59	129.79	148.19	168.47	130.68	149.21	169.85	129.94	148.46	168.61
August	131.52	149.41	171.51	131.44	149.23	171.38	132.14	150.47	172.96	131.56	149.50	171.54
September	133.20	150.98	171.55	133.15	150.80	171.46	133.91	151.97	172.94	133.21	151.08	171.56
October	134.46	153.55	170.49	134.42	153.35	170.40	135.66	154.65	171.94	134.43	153.66	170.48
November	135.09	155.86	171.61	135.04	155.61	171.47	136.53	156.67	173.39	135.04	156.02	171.63
December	134.89	157.65	173.37	134.91	157.40	173.21	136.34	158.65	175.60	134.80	157.80	173.36
January	135.87	159.82	173.17	135.84	159.60	173.10	137.56	161.14	175.15	135.79	159.93	173.11
February	136.92	159.21	174.30	136.91	159.10	174.23	138.48	160.14	176.29	136.83	159.24	174.25
March	137.94	160.61	176.46	137.89	160.52	176.40	138.94	161.78	178.85	137.92	160.63	176.37
April	142.37	161.77	178.55	142.26	161.64	178.47	143.24	162.91	181.26	142.41	161.81	178.46
May	143.49	164.46	179.60	143.34	164.35	179.55	144.11	165.44	181.76	143.59	164.49	179.53
June	146.12	166.42	181.80	145.96	166.33	181.02	146.52	167.35	183.32	146.24	166.44	181.01

Source: Federal Bureau of Statistics.

3.4 PROCUREMENT/SUPPORT PRICES OF VARIOUS AGRICULTURAL CROPS

(Rs. per 100 Kilograms)

COMMODITY	1991-92	1992-93	1993-94	1994-95	1995-96	Percentage Change in	
						1994-95	1995-96
						over 1993-94	over 1994-95
Major Crops							
1. Wheat	310.00	325.00	400.00	400.00	437.50@	0.00	9.38
2. Rice							
(a) Basmati-385 (5% broken)	700.00	850.00	900.00	970.00	1,037.50	7.78	6.96
Paddy	387.50	437.50	462.50	525.00	555.00	13.51	5.71
(b) IRRI-6 (FAQ)	350.00	375.00	392.50	423.00	457.50	7.77	8.16
Paddy	195.00	212.50	225.00	256.50	280.00	14.00	9.16
(c) KS-282, DR-82 & DR-83 (FAQ)	382.50	405.00	440.00	475.00	513.22	7.95	8.05
Paddy	212.50	237.50	250.00	285.00	310.00	14.00	8.77
3. Cotton							
(a) Seed Cotton (Phutti)							
(i) Desi (All types)	637.50	687.50	725.00	850.00	850.00	17.24	0.00
(ii) B-557 & 149F	700.00	750.00	787.50	1,000.00	1,000.00	26.98	0.00
(iii) Sarmast, Qallandri, Deltapine and MS-39&40	725.00	775.00	812.50	1,057.50	1,057.50	30.15	0.00
(b) Cotton Lint							
(i) Desi (All types)	1,555.00	1,737.50	1,815.00	1,987.50	1,987.50	9.50	0.00
(ii) B-557 & 149F	1,787.50	1,925.00	2,017.50	2,465.00	2,465.00	22.18	0.00
(iii) Sarmast, Qallandri, Deltapine and MS-39&40	1,862.50	2,000.00	2,077.50	2,637.50	2,637.50	26.96	0.00
4. Sugarcane (at mill gate)							
Punjab	41.88	43.75	45.00	51.25	53.75 τ	13.89	4.88
Sindh	42.50	44.38	45.63	52.00	54.38 τ	13.96	4.58
N.W.F.P.	41.88	43.75	45.00	51.25	53.75 τ	13.89	4.88
Balochistan	42.50	44.38	45.63	52.00	54.38 τ	13.96	4.58
Minor Crops							
1. Oilseed Crops #							
(a) Soybean	575.00	625.00	687.50	687.50	687.50	0.00	0.00
(b) Sunflower	625.00	700.00	787.50	787.50	787.50	0.00	0.00
(c) Safflower	550.00	550.00	662.50	662.50	662.50	0.00	0.00
2. Onion* 40-50 m.m.	163.77	175.00	195.00	195.00	212.50	0.00	8.97
3. Potato* 40-50 m.m.	170.00	175.00	192.50	210.00	210.00	9.09	0.00
4. Gram* (Whole)	575.00	587.50	687.50	787.50	825.00	14.55	4.76

FAQ Fair Average Quality.

Source: Ministry of Food, Agriculture & Livestock (Economic Wing).

Rs.12 per 100 Kgs. to be given for delivery at the Ghee Corporation of Pakistan's Procurement Centres.

@ Procurement / Support price of wheat was fixed in November, 1995 at Rs.412.50 and price was revised upward again in March, 1996 to Rs 437.50 per 100 Kgs. for 1995-96 crop.

* Mandi / Town Procurement Centre.

τ Support prices of sugarcane (for 1996-97 crop) were increased in March, 1996 from Rs.53.75 to Rs. 60.00 for Punjab & NWFP and from Rs.54.38 to Rs. 61.25 per 100 Kgs. for Sindh & Balochistan.

PUBLIC FINANCE

4.1 FEDERAL GOVERNMENT REVENUE RECEIPTS

(Million Rupees)

HEAD	1992-93	1993-94	1994-95 (Prov. Act.)	1995-96 (Budget)	1995-96 (Revised)	1996-97 (Budget)
1. REVENUE RECEIPTS (II+III+IV)	242,619	273,238	321,323	382,586	381,922	413,218
I. Total Taxes and Surcharges	170,977	199,072	247,209	292,435	287,591	322,719
II. Total Taxes	158,766	172,589	226,499	270,775	262,500	296,421
(i) Direct Taxes	36,762	43,451	61,585	76,245	75,245	86,338
(a) Taxes on Income	35,018	41,466	59,205	73,909	72,909	83,593
(b) Wealth Tax	-	1,216	1,630	1,406	1,406	1,698
(c) Workers Welfare Tax	1,744	349	750	400	400	450
(d) Capital Value Tax	-	420	0	530	530	597
(ii) Indirect Taxes	122,004	129,138	164,914	194,530	187,255	210,083
(a) Customs	63,225	64,240	77,652	92,130	87,130	98,196
(b) Central Excise	35,169	34,519	43,691	51,735	50,095	55,205
(c) Sales Tax	23,610	30,379	43,571	50,665	50,030	56,683
III. Surcharges	12,211	26,483	20,710	21,660	25,091	26,298
(a) Petroleum	3,837	17,200	12,490	13,151	15,500	19,500
(b) Natural Gas	8,374	9,284	8,220	8,509	9,591	6,798
IV. Non-Tax Revenue	71,642	74,165	74,114	90,151	94,331	90,499
(a) Property & Enterprises	35,767	41,867	38,428	53,410	50,903	55,452
(b) Civil Administration	12,787	6,440	16,780	18,826	16,251	18,926
(c) Miscellaneous	23,088	25,859	18,906	17,915	27,177	16,121
2. Less: Transfers to Provinces	65,087	80,104	97,727	116,702	121,310	133,183
(i) Taxes on Income	25,462	32,216	40,682	50,159	54,623	62,628
(ii) Sales Tax	18,224	24,396	32,680	37,601	38,023	43,079
(iii) Export Duty (Cotton)	380	331	-	-	-	-
(iv) Excise Duty & Royalty on Natural Gas	1,921	2,370	3,774	5,105	4,777	5,504
(v) Excise Duty on Sugar	3,874	4,161	4,356	4,982	4,180	4,256
(vi) Excise Duty on Tobacco	6,462	6,764	6,887	9,492	9,120	9,880
(vii) Royalty on Crude Oil	1,054	1,120	992	1,024	1,188	1,174
(viii) Surcharge on Gas	7,710	8,747	8,356	8,339	9,399	6,662
REVENUE RECEIPTS (NET) (1-2)	177,532	193,133	223,596	265,885	260,612	280,035

Source: Federal Government.

4.2 FEDERAL GOVERNMENT EXPENDITURE

(Million Rupees)

HEAD	1992-93	1993-94	1994-95	1995-96 (Budget)	1995-96 (Revised)	1996-97 (Budget)
I. REVENUE EXPENDITURE (A+B)	248,536	268,025	315,715	364,473	379,661	419,419
A. CURRENT EXPENDITURE	234,405	255,862	293,084	338,190	353,229	395,406
(i) General Administration	11,019	16,052	17,008	16,914	19,394	22,312
(ii) Defence	87,461	91,776	104,512	115,254	115,254	131,395
(iii) Law and Order	4,680	5,364	7,092	7,101	7,354	7,604
(iv) Community Services	3,529	4,280	5,023	4,981	5,111	5,369
(v) Social Services	7,628	7,452	8,925	8,185	8,683	8,947
(vi) Economic Services	4,284	1,842	1,967	2,628	3,369	3,072
(vii) Subsidies	5,911	3,978	4,762	3,534	10,436	8,274
(viii) Debt Servicing	96,970	114,382	128,058	157,313	164,568	186,084
(ix) Investible Funds and Grants	9,236	7,278	11,700	16,455	12,534	16,530
(x) Unallocable	3,687	3,458	4,038	5,825	6,528	5,819
B. DEVELOPMENT EXPENDITURE	14,131	12,163	22,631	26,283	26,432	24,013
II. CAPITAL DISBURSEMENTS (a+b)	86,139	96,296	106,047	115,141	110,679	138,570
A. CURRENT EXPENDITURE	17,890	20,061	33,192	36,412	41,493	51,064
I. Economic Services	1	3	3	3	2	1
II. Debt Servicing, Investible Funds and Grants (1+2+3+4)	17,889	20,059	33,190	36,409	41,491	51,062
1. Debt Servicing (a+b)	8,918	15,311	23,543	270,841	25,094	41,110
(a) Repayment of Short Term Credit	7,097	15,311	23,267	26,766	24,094	40,343
(b) Repayment of Domestic Debt	1,821	--	276	315	1,000	767
2. Government Investment	2,389	446	1,201	3,260	3,210	3,160
3. Loans and Advances	4,264	4,302	8,446	6,053	13,171	6,776
4. Unallocable	2,318	-	-	16	15	17
B. DEVELOPMENT EXPENDITURE	68,249	76,235	72,855	78,729	69,186	87,506
(i) Law and Order	2	1	1	1	1	0
(ii) Community Services	3,209	4,267	6,485	7,489	7,667	6,733
(iii) Economic Services	751	497	701	1,038	992	874
(iv) Debt Servicing, Investible Funds & Grants	64,287	71,469	65,668	70,201	60,526	79,899
TOTAL EXPENDITURE (I+II)	334,674	364,321	421,762	479,614	490,340	557,989

Source: Federal Government

4.3 FINANCING OF THE FEDERAL GOVERNMENT EXPENDITURE

(Million Rupees)

HEAD	1992-93	1993-94	1994-95 (Prov. Act.)	1995-96 (Budget)	1995-96 (Revised)	1996-97 (Budget)
I. REVENUE RECEIPTS (NET)	177,532	193,133	223,596	265,885	260,612	280,035
II. INTERNAL RESOURCES (i+ii)	35,714	63,198	64,580	75,641	72,479	78,198
(i) Capital Receipts	28,478	37,360	29,073	30,409	33,648	34,515
(a) Permanent Debt (Net)	20,689	28,825	17,574	16,964	19,872	20,022
(b) Floating Debt (Net)	-	-	-	0	0	0
(c) Recoveries of Loans & Advances	7,789	8,535	11,499	13,445	13,776	14,493
(ii) Public Account	7,236	25,838	35,507	45,232	38,830	43,683
(a) Deferred Liabilities	4,412	24,732	34,160	43,600	37,870	42,259
(b) Deposits & Reserves (Interest Bearing)	843	(393)	(344)	(333)	(331)	(303)
(c) Deposits & Reserves (Non-Interest Bearing)	2,856	1,499	1,691	1,965	1,291	1,727
(d) Current Liabilities, Assets & other Accounts	(875)	-	-	-	-	-
III. EXTERNAL RESOURCES (1 + 2)	58,209	83,806	102,480	96,521	110,128	124,901
1. Plan Resources	50,359	67,344	84,780	79,021	91,613	102,402
(a) Project Aid	28,591	31,145	43,267	39,751	40,970	42,095
(b) Commodity Aid	5,819	7,789	4,061	3,465	765	4,226
(c) Food Aid	7,991	6,768	7,537	6,600	13,940	13,781
(d) Other Aid	7,958	21,642	29,917	29,205	35,938	42,299
2. Non-Plan Resources	7,850	16,462	17,700	17,500	18,515	22,499
IV. Financing from Privatization Fund	--	2,000	5,000	12,000	12,000	14,000
V. TOTAL RECEIPTS (I+II+III+IV)	271,455	342,137	395,656	450,047	455,219	497,134
VI. Use of Cash Balances	--	9,676	6,130	0	4,608	-
VII. Credit From Banking System	63,219	12,508	19,976	29,567	30,513	20,000
VIII. GAP	-	-	-	-	-	40,855
TOTAL RESOURCES (VI+VII+VIII)	334,674	364,321	421,762	479,614	490,340	557,989

Source: Federal Government.

4.4 CONSOLIDATED PROVINCIAL RECEIPTS AND EXPENDITURE

(Million Rupees)

HEAD	1994-95	1995-96	1995-96	1996-97	Percentage Change		
	(Prov. Act.)	(Budget)	(Revised)	(Budget)	E over D	D over C	D over B
A	B	C	D	E	F	G	H
I. REVENUE RECEIPTS (A+B)	125,747	143,203	152,378	166,781	9.5	6.4	21.2
A. Tax Receipts	106,757	125,315	132,417	145,456	9.8	5.7	24.0
(i) Provincial Tax Receipts	9,035	10,136	11,107	12,272	10.5	9.6	22.9
(ii) Federal Tax Assignments	97,721	115,179	121,310	133,184	9.8	5.3	24.1
B. Non-Tax Receipts	18,989	17,888	19,961	21,326	6.8	11.6	5.1
II. CURRENT REVENUE EXPENDITURE	115,813	136,251	141,916	157,417	10.9	4.2	22.5
Revenue surplus (+)/ deficit (-)	9,934	6,952	10,462	9,365	(10.5)	50.5	5.3
III. TOTAL DEVELOPMENT EXPENDITURE	31,434	27,581	34,029	32,121	(5.6)	23.4	8.3
(i) Development Revenue Expenditure	10,835	9,927	11,477	11,427	(0.4)	15.6	5.9
(ii) Development Capital Expenditure	20,994	21,719	23,018	24,190	5.1	6.0	9.6
Less: Operational Shortfall/Outside ADP	(395)	(4,066)	(466)	(3,496)	650.6	(88.5)	17.9
Development Expenditure Financed by :							
1. Revenue surplus(+)/ deficit (-)	9,933	8,383	10,462	9,365	(10.5)	24.8	5.3
2. Net Capital Receipts	(3,616)	(2,126)	(4,128)	(1,770)	(57.1)	94.2	14.1
3. Net Public Account Receipts	3,842	7,191	5,798	5,574	(3.9)	(19.4)	50.9
4. Development Revenue Receipts / Grants	11,276	6,734	11,440	5,111	(55.3)	69.9	1.5
5. Federal Government Loan / Public Debt	12,862	11,799	12,503	13,295	6.3	6.0	(2.8)
6. Cash Balance Utilization	(2,468)	(6,309)	(1,517)	(1,257)	(17.2)	(76.0)	(38.5)
7. Adjustment outside ADP/ other sources	(395)	1,909	(529)	1,802	(440.6)	(127.7)	33.9
IV. TOTAL A.D.P. RESOURCES	31,434	27,581	34,029	32,121	(5.6)	23.4	8.3

Source: Provincial governments.

(Contd.)

4.4 PROVINCIAL RECEIPTS

H E A D	PUNJAB				SINDH			
	1994-95	1995-96	1995-96	1996-97	1994-95	1995-96	1995-96	1996-97
	Revised	Budget	Revised	Budget	(Prov. Act.)	Budget	Revised	Budget
I. REVENUE RECEIPTS (A+B)	60,505	72,073	75,077	84,059	32,296	34,054	39,451	41,945
A. Tax Receipts	55,732	66,598	69,496	78,109	27,523	31,393	35,372	38,789
(i) Provincial Tax Receipts	5,397	5,878	6,400	6,978	2,727	3,359	3,708	4,281
(ii) Federal Tax Assignments	50,335	60,720	63,096	71,131	24,795	28,034	31,664	34,508
B. Non-Tax Receipts	4,773	5,475	5,581	5,950	4,773	2,661	4,079	3,156
II. CURRENT REVENUE EXPENDITURE	56,245	68,484	70,011	77,005	30,567	34,771	36,827	41,137
Revenue surplus (+) / deficit (-)	4,260	3,589	5,065	7,054	1,729	(717)	2,624	808
III. TOTAL DEVELOPMENT EXPENDITURE	12,559	10,163	13,788	13,000	8,807	7,000	8,924	7,500
(i) Development Revenue Expenditure	5,700	6,283	7,414	7,017	2,863	980	1,467	989
(ii) Development Capital Expenditure	7,254	7,746	6,851	9,479	5,944	6,020	7,457	6,511
Less: Operational Shortfall/Outside ADP	(395)	(3,866)	(476)	(3,496)	--	--	--	--
Development Expenditure Financed by :								
1. Revenue surplus (+)/ deficit (-)	4,260	3,588	5,065	7,054	1,729	716	2,624	808
2. Net Capital Receipts	(1,553)	(1,085)	(1,995)	(1,404)	(1,346)	(151)	(1,310)	617
3. Net Public Account Receipts	6	7	7	7	1,179	4,375	4,737	4,487
4. Development Revenue Receipts / Grants	3,381	3,229	3,856	791	4,412	1,070	3,694	2,523
5. Federal Government Loans / Public Debt	6,588	2,515	4,141	4,237	1,490	4,294	4,422	4,447
6. Cash Balance Utilization	271	--	3,242	2,500	1,343*	(3,304)*	(5,244)*	(5,385)*
7. Adjustment outside ADP/ other sources	(395)	1,909	(529)	(185)	--	--	--	--
IV. TOTAL A.D.P. RESOURCES	12,559	10,163	13,788	13,000	8,807	7,000	8,924	7,500

* Residual

AND EXPENDITURE

(Concl.)

(Million Rupees)

H E A D	N.W.F.P.				BALOCHISTAN			
	1994-95 Revised	1995-96 Budget	1995-96 Revised	1996-97 Budget	1994-95 (Prov. Act.)	1995-96 Budget	1995-96 Revised	1996-97 Budget
I. REVENUE RECEIPTS (A+B)	21,262	23,960	24,617	27,131	11,684	13,116	13,233	13,648
A. Tax Receipts	12,179	14,599	15,155	17,030	11,324	12,725	12,394	11,529
(i) Provincial Tax Receipts	724	726	810	803	188	173	189	210
(ii) Federal Tax Assignments	11,455	13,873	14,345	16,227	11,136	12,552	12,205	11,319
B. Non-Tax Receipts	9,083	9,361	9,462	10,101	360	391	840	2,119
II. CURRENT REVENUE EXPENDITURE	19,404	21,972	23,564	26,862	9,597	11,024	11,515	12,413
Revenue surplus (+)/deficit(-)	1,858	1,988	1,053	269	2,087	2,092	1,719	1,234
III. TOTAL DEVELOPMENT EXPENDITURE	5,194@	5,500@	5,531@	6,126@	4,874	4,918	5,786	5,495
(i) Development Revenue Expenditure	1,869	2,188	2,034	2,910	403	476	563	511
(ii) Development Capital Expenditure	3,325	3,512	3,487	3,216	4,471	4,441	5,223	4,985
Less: Operational Shortfall/Outside ADP	-	(200)	10	--	--	--	--	--
Development Expenditure Financed by :								
1. Revenue surplus (+)/deficit (-)	1,857	1,987	1,053	269	2,087	2,092	1,719	1,234
2. Net Capital Receipts	(452)	(497)	(506)	(614)	(266)	(393)	(317)	(369)
3. Net Public Account Receipts	2,564	2,698	913	932	93	111	141	148
4. Development Revenue Receipts / Grants	2,845	1,777	2,819	1,603	638	658	1,070	195
5. Federal Government Loans / Public Debt	2,570	2,818	2,647	2,624	2,214	2,172	1,292	1,987
6. Cash Balance Utilization	(4,190)*	(3,283)*	(1,395)*	1,312*	108	278	1,880	313
7. Adjustment outside ADP/ other sources	--	--	--	--	--	--	--	1,987
IV. TOTAL A.D.P. RESOURCES	5,194	5,500	5,531	6,126	4,874	4,918	5,786	5,495

* Residual

@ Excluding Foreign Project Assistance.

Source: Provincial Governments.

4.5 ZAKAT RECEIPTS

(Million Rupees)

	1991-92	1992-93	1993-94	1994-95	1995-96
1. Saving Bank Accounts & Similar Accounts	1,496.3	1,567.5	1,767.4	1,714.6	1,972.6
2. Notice Deposit Receipts and Accounts	12.2	14.0	9.8	13.8	11.5
3. Fixed Deposit Receipts and Accounts (Periodically)	834.7	606.8	527.0	661.5	478.9
4. Fixed Deposit Receipts and Accounts (on Maturity or Encashment)	152.6	161.8	191.5	236.6	287.8
5. NIT Units	99.4	93.5	98.8	166.7	189.2
6. ICP Mutual Funds	3.2	3.5	2.9	5.3	8.6
7. Government Securities	1.0	1.9	1.0	0.7	0.7
8. Shares and Debentures of Companies	114.0	142.6	164.5	184.8	217.6
9. Annuities	...	0.3	0.2	...	0.1
10. Life Insurance Policies	15.6	18.9	21.0	19.6	18.3
11. Provident Credit Balances	41.2	47.6	60.1	69.6	75.3
Total Deduction of Zakat at Source	2,770.2	2,658.4	2,844.2	3,073.2	3,260.6
Zakat Voluntarily Paid	8.3	7.7	7.4	9.9	12.5
Other Receipts	0.2	1.7	1,804.1	47.5	208.1
TOTAL RECEIPTS	2,778.7	2,667.8	4,655.7	3,130.6	3,481.2

... Negligible

MONEY AND BANKING

5.1 MONETARY ASSETS

(Million Rupees)

Last Thursday/ Last working day	Currency Issued	Currency held by SBP	Currency in tills of Scheduled Banks	Currency in Circulation (1-2-3)	Scheduled Banks' Demand Deposits*	Other Deposits with SBP**	Money Supply (M1) (4+5+6)	Scheduled Banks' Time Deposits *	Resident Foreign Currency Deposits \$	Total Monetary Assets(M2) (7+8+9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
June, 1986	67,804	427	4,101	63,276	70,677	878	134,831	76,280	-	211,111
" 1987	79,991	665	4,623	74,703	83,821	1,101	159,625	80,398	-	240,023
" 1988	93,437	517	5,135	87,785	95,967	1,218	184,970	84,374	-	269,344
" 1989	103,238	746	4,984	97,508	103,893	3,132	204,533	77,105	-	281,638
" 1990	120,817	399	5,351	115,067	119,704	2,209	236,980	80,241	-	317,221
" 1991	144,916	610	7,339	136,967	121,252	3,114	261,333	97,963	9,487	368,783
" 1992	161,433	652	8,962	151,819	145,136	3,322	300,277	137,263	43,004	480,544
" 1993	178,933	768	11,301	166,864	154,902	4,449	326,215	179,680	61,274	567,169
" 1994	199,070	624	13,738	184,708	167,231	5,506	357,445	213,226	92,134	662,805
" 1995	232,589	647	16,363	215,579	201,097	5,055	421,731	246,194	105,073	772,998
" 1996	253,909	470	19,328	234,110	205,573	6,791	446,474	295,806	145,958	888,238
1995 Jul.	231,230	746	13,302	217,182	190,189	5,050	412,421	256,503	108,375	777,299
Aug.	226,314	779	13,739	211,796	191,684	4,954	408,434	252,094	109,312	769,840
Sep.	226,425	595	15,250	210,580	192,756	4,958	408,294	248,492	111,239	768,025
Oct.	229,836	607	13,096	216,133	181,588	4,328	402,049	243,293	123,764	769,106
Nov.	242,399	585	14,034	227,780	193,032	3,818	424,630	248,929	117,691	791,250
Dec.	248,696	736	13,949	234,011	199,383	3,761	437,155	254,412	121,431	812,998
1996 Jan.	265,915	703	14,612	250,600	218,133	4,549	473,282	228,286	124,027	825,595
Feb.	278,806	443	15,050	263,313	196,291	4,638	464,242	258,702	126,814	849,758
Mar.	261,723	595	14,758	246,370	198,643	5,474	450,487	252,835	134,473	837,795
Apr.	267,132	497	12,132	254,503	188,093	6,926	449,522	270,843	137,696	858,061
May	262,561	444	16,585	245,532	191,880	5,622	443,034	280,739	142,387	866,161
Jun.	253,909	470	19,328	234,110	205,573	6,791	446,474	295,806	145,958	888,238

* Excluding inter-bank deposits, deposits of federal & provincial governments and foreign constituents.

** Excluding IMF A/c Nos. 1 & 2, SAFL oan A/c (w.e.f. 4-1-1989), counterpart funds, deposits of foreign central banks & foreign governments, international organisations and deposit money banks.

\$ The deposits under resident foreign currency accounts (allowed w.e.f. 23-2-1991) have been included as part of monetary assets instead of as foreign liability.

5.2 ANALYSIS OF CAUSATIVE FACTORS FOR

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
1. Public Sector	8,623+ (8.90)	10,612 (11.20)	18,966* (17.30)	7,512 (5.63)	12,517@ (8.76)	21,373@ (14.44)	77,701 (44.00)	79,096 (31.08)	15,038 (4.51)	45,336 (12.82)	73,578 (18.68)
(i) Budgetary support	5,766 (6.80)	11,366 (12.50)	13,687* (13.30)	7,123\$ (5.60)	2,924@ (2.20)	32,682@ (25.20)	70,276 (41.40)	63,630 (26.50)	7,517 (2.50)	24,967 (8.00)	53,611 (15.94)
(ii) Commodity operations	3,697+ (26.50)	-226 (3.40)	5,021 (78.00)	1,180 (10.30)	11,355 (89.90)	-5,315 (22.20)	4,194 (22.50)	7,335 (32.10)	6,582 (21.80)	4,733 (12.90)	5,858 (14.11)
(iii) Effect of Zakat Fund ect.	-840 (-38.15)	-528 (-17.36)	-474 (-13.28)	-686 (-16.96)	-1,693 (-35.80)	-5,579 (86.86)	2,224 (-18.53)	1,969 (-20.14)	-1,461 (18.71)	-2,195 (23.68)	-1,057 (9.22)
(iv) Use of Privatisation proceeds										14,130 (84.93)	12,000 (84.93)
(v) Autonomous bodies			731	-105 (-14.40)	-70 (-11.20)	-416 (-74.80)	1,007 (719.30)	6,162 (537.20)	2,400 (32.80)	3,701 (38.10)	3,166 (23.61)
2. Public Sector Enterprises#	3,591 (11.50)	765 (2.20)	462 (3.30)	-2,187\$ (-6.20)	579\$ (1.70)	-3,986\$ (-11.50)	-117 (-0.40)	-1,644 (-5.40)	-2,052 (-7.10)	2,595 (9.71)	2,934** (10.00)
3. Private Sector	19,355 (21.00)	21,252 (17.30)	21,799 (15.20)	18,183 (11.80)	23,157 (13.40)	25,096 (12.80)	30,249 (13.70)	58,284 (23.20)	42,768 (13.80)	63,730 (18.09)	57,329a (13.78)
4. Counterpart Funds	369 (18.30)	253 (15.40)	673 (48.40)	406 (56.60)	-197 (-63.30)	178 (35.00)	179 (54.20)	-395 (-261.60)	158 (28.90)	-76 (19.59)	152 (-32.76)
5. Other Items (Net)	-2,613 (-12.50)	-2,586 (-11.00)	-9,379 (-35.90)	-4,500 (-12.70)	1,894 (4.70)	3,190 (8.40)	-5,230 (-15.00)	-14,703 (-36.60)	6,315 (11.50)	-28,350 (-55.89)	20,244a (-32.26)
6. Domestic Credit (1 thr. 5)	29,325 (14.80)	30,296 (13.34)	32,520 (12.64)	19,414 (6.70)	37,950 (12.27)	45,851 (13.50)	102,782 (26.15)	120,638 (24.33)	62,227 (10.10)	83,235 (12.26)	154,237 (20.24)
7. Foreign Assets (Net)	-2,119 (-15.30)	-1,384 (-8.70)	-3,199 (-18.50)	-7,120 (-34.70)	-2,366@ (-8.60)	5,712@ (25.20)	8,979 (36.90)	-34,013 (-221.90)	33,409 (67.70)	26,958 (169.20)	-38,998 (-353.71)
8. Monetary Assets (6+7)	27,206 (14.80)	28,912 (13.70)	29,321 (12.22)	12,294 (4.56)	35,584 (12.63)	51,563 (16.25)	111,762 (30.30)	86,626 (18.03)	95,636 (16.86)	110,193 (16.63)	115,239 (14.91)

+ Adjusted for Rs.10,995 million advanced by commercial banks to the private sector against special national fund (SNF) bonds. These funds were utilised to retire government borrowings for commodity operations.

* Adjusted for Rs.10,995 million on account of retirement of SNF bonds.

Prior to 1988-89, public sector enterprises also included water and power development authority (WAPDA), oil & gas development corporation (OGDC), national fertilizer corporation (NFC), Pakistan telecommunication company limited (PTCL) and Pakistan television corporation (PTV).

\$ Includes impact of issue of bonds by federal government to banks amounting to Rs.4.3 billion in 1988-89 and Rs.0.7 billion in 1989-90 and Rs.3.6 billion in 1990-91 in settlement of loans given earlier by banks to public sector enterprises. Consequently, credit to government for budgetary support increased and that to public sector enterprises declined to the extent of bonds issued in respective years.

@ Adjusted for SAF loan amounting to Rs.7,371 million.

a Adjusted for Rs.5,278.0 million to exclude the impact arising due to mark-up debited to the borrowers account.

** After adjusting Rs.3,956 million in June, 1995.

Note Figures in parentheses represent percentage changes of stock over the corresponding period last year.

CHANGES IN MONETARY ASSETS

(Million Rupees)

	1995						1996					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
1. Public Sector	29,040 (7.37)	-6,189 (-1.46)	19,376 (4.65)	3,919 (0.90)	3,936 (0.89)	-8,406 (-1.89)	15,144 (3.48)	16,336 (3.62)	-39,154 (-8.38)	44,012 (10.28)	7,875 (1.67)	-12,311 (-2.57)
(i) Budgetary Support	29,408 (8.74)	-5,195 (-1.42)	13,339 (3.70)	5,796 (1.55)	4,402 (1.16)	-12,761 (-3.32)	16,092 (4.33)	15,299 (3.95)	-37,959 (-9.43)	42,245 (11.58)	2,167 (0.53)	-19,222 (-4.70)
(ii) Commodity Operations	337 (0.81)	-2,031 (-4.85)	261 (0.66)	-2,059 (-5.14)	-178 (-0.47)	3,535 (9.34)	-1,199 (-2.90)	-542 (-1.35)	-1,838 (-4.64)	-1,631 (-4.31)	5,454 (15.08)	5,749 (13.81)
(iii) Effect of Zakat Fund etc.	-255 (2.22)	388 (-3.31)	-295 (2.60)	468 (-4.03)	-221 (1.98)	519 (-4.56)	-61 (0.56)	-1,278 (11.70)	-377 (3.09)	7 (-0.06)	-66 (0.53)	114 (-0.90)
(iv) Use of Privatisation proceeds	0 (0.00)	0 (0.00)	6,000 (42.46)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	3,000 (14.90)	0 (0.00)	3,000 (12.97)	0 (0.00)	0 (0.00)
(v) Autonomous bodies	-450 (-3.36)	649 (5.01)	71 (0.52)	-286 (-2.09)	-67 (-0.50)	301 (2.26)	312 (2.29)	-143 (-1.03)	1,020 (7.39)	391 (2.64)	320 (2.10)	1,048 (6.75)
2. Public Sector Enterprises	768 (2.62)	9 (0.03)	868 (2.89)	441 (1.43)	826 (2.63)	-2,624 (-0.14)	13 (-0.04)	-959 (-3.24)	473 (1.65)	273 (0.95)	286 (0.97)	2,560 (8.62)
3. Private Sector	-3,242 (-0.77)	-1,278 (-0.31)	1,462 (0.35)	5,260 (1.26)	22,931 (5.43)	22,051 (5.07)	2,744 (0.59)	5,601 (1.20)	-961 (-0.20)	0 (0.00)	-1,859 (-0.39)	4,620 (0.99)
4. Counterpart Funds	23 (-4.96)	-463 (104.99)	107 (-11.84)	299 (-37.52)	-70 (14.06)	-68 (11.97)	74 (-11.64)	-6 (1.07)	-8 (1.41)	-12 (2.08)	-52 (8.84)	24 (-3.75)
5. Other Items (Net)	-8,477 (11.02)	9,293 (-10.89)	-5,027 (6.61)	442 (-0.54)	-2,729 (3.38)	5,747 (-6.89)	-187 (0.24)	8,054 (-10.35)	13,962 (-20.01)	-15,262 (27.34)	4,741 (-6.67)	9,991 (-15.06)
6. Domestic Credit (1 thr. 5)	18,112 (2.38)	1,372 (0.18)	16,787 (2.15)	10,361 (1.30)	24,894 (3.08)	16,700 (2.00)	17,788 (2.09)	29,026 (3.34)	-25,688 (-2.86)	29,011 (3.33)	10,991 (1.22)	4,885 (0.54)
7. Foreign Assets (Net)	-13,811 (-125.25)	-8,830 (317.17)	-18,603 (160.18)	-9,279 (30.71)	-2,752 (6.97)	5,051 (-11.96)	-5,192 (13.96)	-4,864 (11.47)	13,727 (-29.05)	-8,744 (26.08)	-2,892 (6.84)	17,191 (-38.07)
8. Monetary Assets (6+7)	4,301 (0.56)	-7,458 (-0.96)	-1,816 (-0.24)	1,082 (0.14)	22,142 (2.88)	21,751 (2.75)	12,596 (1.55)	24,162 (2.93)	-11,961 (-1.41)	20,267 (2.42)	8,099 (0.94)	22,076 (2.55)

5.3 LIABILITIES AND ASSETS OF THE ISSUE

		LIABILITIES			A S S			
					Gold and Foreign Assets			
Last Thursday / Last working day	Notes held in the Banking Department	Notes in Circulation	Total Liabilities / Assets	Gold (i)	Approved Foreign Exchange	India Notes (ii)	Total	
June, 1987	320.6	77,475.6	77,796.2	14,791.8	12,389.6	580.6	27,762.2	
" 1988	203.6	90,997.2	91,205.7	15,022.6	7,079.9	557.3	22,659.7	
" 1989	292.3	100,689.3	100,981.6	15,077.6	6,001.6	553.8	21,633.3	
" 1990	112.5	118,402.6	118,515.1	14,702.6	10,411.5	536.0	25,650.1	
" 1991	167.4	142,003.1	142,170.5	17,148.1	8,275.4	494.5	25,918.0	
" 1992	150.3	158,505.1	158,655.4	17,153.3	11,949.0	418.6	29,520.8	
" 1993	423.5	175,296.0	175,719.5	20,499.4	3,619.7	373.1	24,492.2	
" 1994	169.3	195,860.1	196,029.4	23,897.4	54,147.3	421.3	78,466.0	
" 1995	233.2	229,080.0	229,313.2	24,260.1	70,008.9	425.6	94,694.6	
" 1996	164.7	250,455.6	250,620.3	27,116.6	32,381.5	431.0	59,929.1	
1995 Jul.	291.0	227,663.4	227,954.4	24,260.1	56,712.8	425.6	81,398.5	
Aug.	339.1	222,699.0	223,038.1	24,260.1	58,933.5	425.6	83,619.1	
Sep.	144.9	223,004.5	223,149.4	24,260.1	37,915.6	425.6	62,601.3	
Oct.	146.2	226,414.0	226,560.2	24,260.1	36,460.8	425.6	61,146.5	
Nov.	176.4	238,947.3	239,123.7	24,275.0	28,861.7	425.6	53,562.4	
Dec.	334.6	246,572.8	246,907.4	24,275.0	25,949.1	425.6	50,649.7	
1996 Jan.	280.8	262,355.8	262,636.6	24,275.0	44,258.1	425.6	68,958.8	
Feb.	227.4	275,302.0	275,529.4	24,275.0	36,146.2	425.6	60,846.8	
Mar.	231.4	258,215.3	258,447.0	24,275.0	32,435.4	425.6	57,136.0	
Apr.	267.0	263,578.3	263,845.3	24,275.0	44,073.0	425.6	68,773.6	
May	184.7	259,088.9	259,273.6	24,275.0	43,790.7	425.6	68,491.3	
Jun.	164.7	250,455.6	250,620.3	27,116.6	32,381.5	431.0	59,929.1	

(i) Gold is valued at end financial year (June-end) on the basis of closing London Bullion Market Rate.
(ii) Receivable from Reserve Bank of India.

STATE BANK OF PAKISTAN

DEPARTMENT

(Million Rupees)

E T S

Domestic Assets				With Reserve Bank of India pending transfer to Pakistan					
Rupee Coin	Govt. of Pakistan Securities	Internal Bills of Exchange & Other Commercial Papers	Total	Gold	Sterling Securities	Govt. of India Securities	Rupee Coin	Total	Last Thursday / Last working day
343.9	49,241.1	78.5	49,663.5	260.6	92.2	13.6	4.0	370.5	June, 1987
308.0	67,777.0	78.5	68,163.5	263.9	101.7	13.1	3.9	382.5	" 1988
453.8	78,426.8	78.5	78,959.1	264.3	108.0	13.0	3.8	389.2	" 1989
287.3	92,099.7	78.5	92,465.5	257.7	125.4	12.6	3.7	399.5	" 1990
442.7	115,285.5	78.5	115,806.7	300.6	130.1	11.6	3.4	445.7	" 1991
501.7	113,093.9	15,078.5	128,674.1	298.8	131.7	9.8	2.6	460.4	" 1992
344.1	135,319.2	15,078.5	150,741.8	342.4	157.8	8.8	2.6	485.5	" 1993
454.0	101,463.1	15,078.5	116,995.6	399.1	155.8	9.9	3.0	567.8	" 1994
413.4	118,547.3	15,078.5	134,039.2	403.1	163.4	10.0	3.0	579.5	" 1995
305.5	174,664.0	15,078.5	190,048.0	450.3	179.7	10.1	3.0	643.2	" 1996
454.5	130,443.4	15,078.5	145,976.4	403.1	163.4	10.0	3.0	579.5	Jul. 1995
438.2	123,322.8	15,078.5	138,839.5	403.1	163.4	10.0	3.0	579.5	Aug.
449.6	144,440.6	15,078.5	159,968.8	403.1	163.4	10.0	3.0	579.5	Sep.
460.3	149,259.4	15,078.5	164,834.2	403.1	163.4	10.0	3.0	579.5	Oct.
408.8	169,494.5	15,078.5	184,981.8	403.1	163.4	10.0	3.0	579.5	Nov.
392.6	180,207.2	15,078.5	195,678.2	403.1	163.4	10.0	3.0	579.5	Dec.
421.7	177,598.1	15,078.5	193,098.3	403.1	163.4	10.0	3.0	579.5	Jan. 1996
214.5	198,810.0	15,078.5	214,103.1	403.1	163.4	10.0	3.0	579.5	Feb.
232.2	185,420.9	15,078.5	200,731.5	403.1	163.4	10.0	3.0	579.5	Mar.
230.4	179,183.2	15,078.5	194,492.2	403.1	163.4	10.0	3.0	579.5	Apr.
258.8	174,865.5	15,078.5	190,202.8	403.1	163.4	10.0	3.0	579.5	May
305.5	174,664.0	15,078.5	190,048.0	450.3	179.7	10.1	3.0	643.2	Jun.

(Contd.)

5.4 LIABILITIES AND ASSETS OF THE BANKING

L I A B I L I T I E S													
DEPOSITS													
Last Thursday / Last Working day	Capital Paid-up	Reserve Fund	Rural Credit Fund	Indus- trial Credit Fund	Export Credit Fund	Loans Gua- rantee Fund	Hous- ing Credit Fund					Total	Alloca- tion of Special Drawing Rights
								Federal Govt.	Provincial Govts.	Banks	Other		
June, 1987	100.0	2,100.0	1,800.0	900.0	750.0	300.0	700.0	8,976.3	10,206.2	19,728.8	12,375.0	51,286.3	3,778.7
.. 1988	100.0	3,250.0	1,900.0	1,000.0	850.0	300.0	700.0	11,284.6	10,050.4	13,951.5	8,874.2	43,160.6	4,020.2
.. 1989	100.0	2,500.0	1,900.0	1,000.0	850.0	300.0	700.0	11,324.3	7,679.6	15,846.3	16,471.6	51,328.8	4,481.7
.. 1990	100.0	2,500.0	1,900.0	1,000.0	850.0	300.0	700.0	30,990.6	1,489.2	17,571.9	14,329.6	64,381.3	4,920.5
.. 1991	100.0	2,500.0	1,900.0	1,000.0	850.0	300.0	700.0	19,793.0	3,693.8	22,427.5	21,735.7	67,650.1	5,443.5
.. 1992	100.0	2,500.0	1,900.0	1,000.0	850.0	300.0	700.0	27,150.6	4,635.2	43,773.1	33,315.7	108,874.7	6,129.0
.. 1993	100.0	2,650.0	1,900.0	1,000.0	850.0	300.0	700.0	23,270.9	3,036.9	41,243.2	45,038.1	112,589.1	6,457.3
.. 1994	100.0	2,650.0	1,900.0	1,000.0	850.0	300.0	700.0	30,920.6	4,182.7	54,404.0	54,315.5	143,822.8	7,555.4
.. 1995	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	29,362.7	7,134.7	68,991.8	42,374.6	147,863.8	8,290.2
.. 1996	100.0	4,000.0	2,600.0	1,600.0	1,500.0	500.0	700.0	26,732.6	2,444.9	49,851.6	52,309.9	131,339.0	8,618.6
1995 Jul.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	13,314.7	5,811.5	68,823.8	40,210.2	128,160.1	8,272.5
Aug.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	8,943.2	6,719.4	59,878.5	47,926.2	123,167.2	7,966.0
Sep.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	13,328.3	7,792.1	64,446.6	44,982.3	130,549.3	8,080.6
Oct.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	8,244.6	7,972.9	69,266.7	45,016.2	130,500.4	8,154.2
Nov.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	12,349.0	7,944.2	69,947.1	50,541.7	140,782.4	8,674.2
Dec.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	16,455.2	8,375.8	81,469.6	42,913.1	149,211.4	8,681.2
1996 Jan.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	5,313.0	7,734.1	70,948.8	46,058.0	130,053.9	8,510.1
Feb.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	3,724.5	6,039.5	75,946.5	43,624.7	129,335.1	8,609.8
Mar.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	24,058.0	7,608.5	62,479.5	47,573.9	141,719.9	8,576.8
Apr.	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	4,328.1	5,881.5	77,253.0	49,008.7	136,471.3	8,552.0
May	100.0	3,650.0	2,500.0	1,500.0	1,350.0	500.0	700.0	4,660.4	6,773.3	48,267.7	46,553.9	106,255.3	8,585.4
Jun.	100.0	4,000.0	2,600.0	1,600.0	1,500.0	500.0	700.0	26,732.6	2,444.9	49,851.6	52,309.9	131,339.0	8,618.6

STATE BANK OF PAKISTAN

DEPARTEMENT

(Million Rupees)

LIABILITIES				A S S E T S									
				<u>BILLS PURCHASED AND DISCOUNTED</u>									
				Internal									
Bills Payable	Re-valuation Account	Other Liabilities	Total Liabilities/Assets	Notes and Coins #	Agri-cultural Sector	Industrial Sector	Export Sector	Housing Sector	Other	Total	Govt. Treasury Bills	Last Thursday / Last Working day	
394.0	12,217.9	13,343.1	87,669.8	320.8	20.0	-	3.6	-	33.4	57.0	19,771.9	June,	1987
90.6	13,838.2	13,043.1	82,252.8	209.0	-	-	3.6	-	33.4	37.0	6,733.2	"	1988
97.2	13,863.1	11,212.1	88,325.8	292.6	-	-	3.6	-	33.4	37.0	10,688.5	"	1989
84.5	13,482.1	11,895.5	102,114.1	112.5	-	-	3.6	-	33.4	37.0	17,058.8	"	1990
80.6	15,970.4	13,530.6	110,025.2	167.4	-	-	3.6	-	33.4	37.0	1,906.9	"	1991
46.8	15,339.0	16,691.6	154,431.0	150.5	-	-	3.6	-	33.4	37.0	1,875.7	"	1992
375.1	18,515.9	24,713.9	170,151.1	423.8	-	-	3.6	-	33.4	37.0	4,090.2	"	1993
81.9	21,970.6	24,742.6	205,673.3	169.6	250.0	-	3.6	-	33.4	287.0	2,390.8	"	1994
103.7	22,212.8	39,765.8	229,536.3	233.5	3,660.0	-	3.6	-	33.4	3,697.0	2,695.7	"	1995
127.9	25,101.6	69,328.6	245,515.7	165.2	-	-	3.6	-	33.4	37.0	3,030.3	"	1996
222.9	22,212.8	31,482.3	200,650.7	291.2	1,860.0	-	3.6	-	33.4	1,897.0	2,848.5	Jul.	1995
68.3	22,212.8	32,484.0	196,498.6	339.6	1,860.0	-	3.6	-	33.4	1,897.0	2,848.5	Aug.	
112.3	22,212.8	31,455.4	202,710.5	145.5	1,860.0	-	3.6	-	33.4	1,897.0	2,848.5	Sep.	
192.6	22,212.8	34,465.3	205,825.3	146.8	1,860.0	-	3.6	-	33.4	1,897.0	2,848.5	Oct.	
168.7	22,212.8	34,366.2	216,504.3	176.8	-	-	3.6	-	33.4	37.0	2,848.5	Nov.	
180.1	22,212.8	29,360.3	219,948.1	335.0	-	-	3.6	-	33.4	37.0	2,848.5	Dec.	
204.4	22,212.8	32,120.1	203,401.3	281.1	-	-	3.6	-	33.4	37.0	3,030.3	Jan.	1996
193.2	22,212.8	31,362.3	202,013.2	227.8	-	-	3.6	-	33.4	37.0	3,030.3	Feb.	
206.1	22,212.8	33,567.4	216,583.0	232.1	-	-	3.6	-	33.4	37.0	3,030.3	Mar.	
140.7	22,212.8	32,281.6	209,958.5	267.3	-	-	3.6	-	33.4	37.0	3,030.3	Apr.	
279.6	22,212.8	61,335.4	208,968.5	185.2	-	-	3.6	-	33.4	37.0	3,030.3	May	
127.9	25,101.6	69,328.6	245,515.7	165.2	-	-	3.6	-	33.4	37.0	3,030.3	Jun.	

Includes one rupee coins, one rupee notes and subsidiary coins.

(Contd.)

5.4 LIABILITIES AND ASSETS OF THE BANKING

		A S S E T S									
		LOANS AND ADVANCES TO SCHEDULED BANKS									
Last Thursday / Last working day	Balance held outside Pakistan	S.D.R. held with I.M.F.	Loans and Advances to Govts.	Govt. Debtor Balance	Agri- cultural Sector	Industrial Sector	Export Sector	Housing Sector	Others	Total (a)	
June, 1987	1,648.6	268.3	100.0	-	14,590.9	3,424.5	8,148.2	0.7	1,867.5	28,031.7	
" 1988	439.3	192.5	117.9	-	17,498.3	4,017.8	10,297.5	0.7	1,821.2	33,635.5	
" 1989	3,411.4	119.7	214.4	-	19,752.1	4,456.0	10,963.9	0.7	1,645.0	36,817.8	
" 1990	2,954.0	53.2	198.7	-	20,982.0	5,401.1	13,130.6	0.7	1,447.7	40,959.0	
" 1991	5,432.1	47.6	380.4	7,867.1	27,201.6	6,475.1	15,708.4	0.7	456.4	49,842.2	
" 1992	13,909.8	82.9	396.2	5,131.7	29,594.4	8,252.5	20,380.9	0.7	460.2	58,688.6	
" 1993	8,835.3	133.2	396.2	10,507.5	34,104.5	9,353.1	22,715.5	0.7	463.9	66,637.7	
" 1994	15,933.9	48.8	326.7	3,725.9	35,528.9	9,580.6	25,364.2	0.7	2,111.7	72,586.1	
" 1995	15,245.9	130.7	300.0	2,852.0	40,141.0	9,205.6	27,809.8	-	4,471.4	81,627.8	
" 1996	39,547.5	55.0	300.0	7,464.4	43,000.8	9,054.9	83.9	-	4,475.1	56,614.8	
1995 Jul.	8,021.5	444.0	300.0	3,865.8	40,408.0	9,096.1	28,768.9	-	4,471.4	82,744.3	
Aug.	5,358.9	47.2	300.0	3,306.6	39,528.4	9,069.8	22,648.3	-	4,471.4	75,717.9	
Sep.	10,094.1	47.9	300.0	3,558.9	39,503.1	8,964.4	28,821.6	-	4,471.4	81,760.4	
Oct.	5,040.9	408.1	300.0	3,277.8	39,645.0	8,885.4	30,153.5	-	4,471.4	83,155.3	
Nov.	9,738.0	48.1	300.0	4,454.2	40,323.4	8,859.9	31,382.4	-	4,471.4	85,039.1	
Dec.	28,332.9	505.7	300.0	5,181.1	41,238.8	8,754.5	32,327.7	-	6,271.4	88,592.4	
1996 Jan.	12,847.6	495.7	300.0	5,297.2	43,403.1	8,616.7	31,046.9	-	6,273.3	89,339.9	
Feb.	9,938.2	260.2	300.0	6,000.4	42,386.8	8,609.7	31,857.1	-	6,273.3	89,126.9	
Mar.	22,727.6	259.6	300.0	2,790.8	42,512.1	8,628.4	32,388.9	-	6,273.3	89,802.8	
Apr.	9,802.7	432.3	300.0	3,924.4	42,554.6	8,652.7	32,443.0	-	6,273.3	89,923.7	
May	6,638.7	45.5	300.0	4,007.4	42,922.6	8,757.0	3,246.8	-	8,700.3	63,626.7	
Jun.	39,547.5	55.0	300.0	7,464.4	43,000.8	9,054.9	83.9	-	4,475.1	56,614.8	

STATE BANK OF PAKISTAN

(Concl'd.)

DEPARTMENT

(Million Rupees)

A S S E T S											
LOANS AND ADVANCES TO NON-BANK FINANCIAL INSTITUTIONS					INVESTMENTS						
Industrial Sector	Housing Sector	Others	Total (b)	Other Loans and Advances (a+b)	Scheduled Banks	Non-Bank Financial Institutions	Govt. Securities	Others	Total	Other Assets	Last Thursday / Last working day
6,517.8	10,295.8	305.9	17,119.5	45,151.3	6,812.5	1,619.4	7,251.3	-	15,683.2	4,668.8	June, 1987
7,095.8	11,745.8	373.7	19,215.3	52,850.9	6,999.4	1,737.9	7,526.1	-	16,263.3	5,409.8	" 1988
7,623.7	13,701.8	524.6	21,850.2	58,668.0	7,363.2	1,754.7	916.8	-	10,034.7	6,655.2	" 1989
8,283.6	15,196.3	776.7	24,256.6	65,215.6	7,363.2	1,754.7	1,753.4	-	10,871.4	5,612.9	" 1990
9,854.6	15,496.3	1,021.6	26,372.5	76,214.7	7,213.4	1,854.7	2,424.3	-	11,492.5	6,479.4	" 1991
5,618.3	5,996.3	1,592.6	13,207.2	71,895.8	8,214.6	1,912.3	43,748.4	-	53,873.5	7,076.2	" 1992
6,027.4	6,296.3	4,073.0	16,396.7	83,034.4	8,721.4	1,998.6	44,025.2	-	54,745.2	7,948.3	" 1993
6,651.6	6,496.3	5,883.5	19,031.4	91,617.5	8,653.3	2,151.1	69,783.2	-	80,587.6	10,585.4	" 1994
6,481.3	6,496.3	10,084.1	23,061.7	104,689.5	9,237.9	2,151.1	76,241.7	-	87,630.7	12,061.4	" 1995
6,655.2	6,496.3	12,447.1	25,598.7	81,913.5	9,312.8	2,151.1	47,697.2	-	59,161.1	53,541.9	" 1996
6,401.1	6,496.3	10,050.6	22,948.0	105,692.3	9,237.9	2,151.1	61,239.1	-	72,628.1	4,662.3	Jul. 1995
6,226.5	6,496.3	10,518.0	23,240.8	98,958.7	9,237.9	2,151.1	65,859.3	-	77,248.3	6,193.8	Aug.
6,171.7	6,496.3	11,458.0	24,126.0	105,886.4	9,237.9	2,151.1	59,721.8	-	71,110.8	6,721.4	Sep.
6,146.7	6,496.3	11,458.0	24,101.0	107,256.3	9,237.9	2,151.1	65,294.4	-	76,683.4	7,966.6	Oct.
5,912.4	6,496.3	11,443.5	23,852.2	108,891.4	9,382.5	2,151.1	71,668.6	-	83,202.2	6,808.2	Nov.
6,212.4	6,496.3	11,740.6	24,448.7	113,041.0	9,382.5	2,151.1	46,938.5	-	58,472.1	10,894.8	Dec.
6,221.5	6,496.3	11,746.5	24,464.4	113,804.3	9,382.5	2,151.1	44,285.9	-	55,819.5	11,488.7	Jan. 1996
5,935.3	6,496.3	11,834.5	24,266.1	113,393.0	9,382.5	2,151.1	45,248.7	-	56,782.3	12,043.6	Feb.
6,384.9	6,496.3	12,406.0	25,287.2	115,090.2	9,382.5	2,151.1	43,305.5	-	54,839.1	17,276.5	Mar.
6,368.8	6,496.3	12,428.3	25,293.4	115,217.1	9,382.5	2,151.1	49,676.6	-	61,210.2	15,737.2	Apr.
6,107.9	6,496.3	12,428.3	25,032.5	88,659.2	9,382.5	2,151.1	49,844.9	-	61,378.5	44,686.9	May
6,655.2	6,496.3	12,447.1	25,598.7	81,913.5	9,312.8	2,151.1	47,697.2	-	59,161.1	53,541.9	Jun.

5.5 SCHEDULED BANKS' POSITION

LIABI

Last Thursday/ Last working day		Capital (Paid-up) and Reserves	DEMAND LIABILITIES IN PAKISTAN					TIME LIABILITIES IN				
			Inter-Bank		Others			Inter-Bank		Others		
			Borrow- ings	Deposits	Deposits (General)	Others	Total	Borrow- ings	Deposits	Deposits (General)	Others	
June,	1987	16,264.6	817.5	3,641.5	84,332.0	3,943.8	92,734.8	1,465.3	1,372.8	103,496.2	1,078.4	
"	1988	18,272.4	823.0	4,817.7	95,395.2	4,409.1	105,445.0	2,230.5	1,837.9	110,142.2	974.2	
"	1989	20,279.7	1,381.5	3,611.6	104,035.4	4,443.1	113,471.6	494.1	3,219.3	111,632.7	1,085.9	
"	1990	22,528.0	2,350.0	5,204.0	119,794.0	4,902.0	132,250.0	2,545.0	342.0	122,898.0	1,288.0	
"	1991	25,547.0	2,827.0	7,222.0	144,118.0	7,323.0	161,490.0	2,969.0	124.0	150,228.0	2,551.0	
"	1992	31,227.0	5,740.0	7,700.0	183,722.0	7,665.0	204,827.0	4,695.0	364.0	197,586.0	4,348.0	
"	1993	36,011.0	1,436.0	11,386.0	216,104.0	9,112.0	238,038.0	3,976.0	961.0	243,729.0	3,920.0	
"	1994	43,710.0	2,878.0	11,654.0	254,865.0	12,578.0	281,975.0	3,333.0	3,848.0	303,097.0	4,812.0	
"	1995	50,533.0	5,104.0	11,683.0	296,739.0	16,500.0	330,026.0	5,998.0	3,061.0	366,791.0	3,388.0	
"	1996	56,255.0	115.0	13,166.0	337,873.0	19,224.0	370,378.0	2,965.0	2,544.0	446,770.0	4,737.0	
1995	Jul.	50,533.0	2,767.0	10,340.0	286,757.0	14,670.0	314,534.0	6,247.0	4,859.0	366,084.0	3,378.0	
	Aug.	50,708.0	3,171.0	8,949.0	290,864.0	16,723.0	319,707.0	5,985.0	3,315.0	361,940.0	3,459.0	
	Sep.	50,845.0	3,043.0	9,040.0	289,707.0	18,568.0	320,358.0	8,674.0	3,007.0	360,932.0	3,427.0	
	Oct.	51,137.0	173.0	8,883.0	291,627.0	17,455.0	318,138.0	2,673.0	2,792.0	361,013.0	3,386.0	
	Nov.	51,189.0	171.0	10,215.0	298,558.0	19,360.0	328,304.0	3,087.0	2,830.0	364,022.0	3,191.0	
	Dec.	51,589.0	171.0	11,771.0	309,377.0	17,229.0	338,548.0	3,609.0	2,653.0	389,942.0	3,599.0	
1996	Jan.	53,565.0	147.0	12,657.0	328,689.0	17,329.0	358,822.0	3,763.0	2,614.0	367,300.0	3,972.0	
	Feb.	54,008.0	147.0	12,192.0	315,396.0	15,320.0	343,055.0	2,719.0	1,665.0	394,408.0	3,669.0	
	Mar.	55,397.0	493.0	10,361.0	317,408.0	16,437.0	344,699.0	2,685.0	1,415.0	392,574.0	3,705.0	
	Apr.	55,989.0	147.0	9,731.0	310,396.0	15,826.0	336,100.0	2,727.0	2,066.0	413,624.0	4,496.0	
	May	55,904.0	148.0	11,035.0	316,575.0	15,877.0	343,635.0	2,995.0	2,316.0	425,609.0	4,458.0	
	Jun.	56,255.0	115.0	13,166.0	337,873.0	19,224.0	370,378.0	2,965.0	2,544.0	446,770.0	4,737.0	

BASED ON WEEKLY RETURNS

LITIES

(Million Rupees)

PAKISTAN						STATUTORY RESERVES*						
Total	Total Demand and Time Liabilities (a)	Borrowings from State Bank of Pakistan	Borrowings From Banks Abroad	Money at Call and Short Notice in Pakistan	Other Liabilities	Total Liabilities	On Demand Liabilities	On Time Liabilities	Total (b)	Last Thursday/ Last working day		
107,412.7	200,147.5	27,811.2	4,626.2	1,713.5	163,442.6	414,005.6	4,722.4	5,370.6	10,093.0	June,	1987	
115,184.8	220,629.8	33,340.1	6,673.2	4,295.0	198,246.2	481,456.7	5,487.0	5,759.2	11,246.2	"	1988	
116,432.0	229,903.6	36,547.7	8,441.1	5,415.0	233,614.4	534,201.4	5,944.3	5,821.6	11,765.9	"	1989	
127,073.0	259,323.0	40,285.0	9,496.0	10,085.0	292,230.0	633,947.0	7,116.8	6,353.7	13,470.5	"	1990	
155,872.0	317,362.0	48,785.0	11,140.0	5,367.0	371,537.0	778,287.0	8,611.2	7,793.6	16,404.8	"	1991	
206,993.0	411,820.0	57,267.0	13,471.0	6,405.0	443,037.0	963,227.0	10,561.6	10,349.7	20,911.3	"	1992	
252,586.0	490,624.0	64,577.0	14,614.0	6,584.0	533,791.0	1,146,201.0	12,231.1	12,629.3	24,860.4	"	1993	
315,090.0	597,065.0	70,583.0	14,217.0	6,721.0	680,758.0	1,413,114.0	14,434.8	15,754.5	30,189.3	"	1994	
379,238.0	709,264.0	82,668.0	14,280.0	8,350.0	788,999.0	1,654,094.0	16,918.8	18,961.9	35,880.7	"	1995	
457,016.0	827,394.0	56,914.0	13,424.0	8,070.0	948,334.0	1,910,391.0	18,922.4	22,850.8	41,773.2	"	1996	
380,568.0	695,102.0	83,110.0	13,775.0	7,396.0	799,108.0	1,649,024.0	16,096.5	19,028.4	35,124.9	Jul.	1995	
374,699.0	694,406.0	75,640.0	13,201.0	8,627.0	812,058.0	1,654,640.0	16,416.7	18,735.0	35,151.7	Aug.		
376,040.0	696,398.0	81,366.0	13,859.0	9,985.0	825,296.0	1,677,749.0	16,517.2	18,802.0	35,319.2	Sep.		
369,864.0	688,002.0	83,068.0	13,132.0	4,457.0	833,722.0	1,673,518.0	16,129.8	18,493.2	34,623.0	Oct.		
373,130.0	701,434.0	82,805.0	13,246.0	3,949.0	846,976.0	1,699,599.0	16,612.7	18,656.5	35,269.2	Nov.		
399,803.0	738,351.0	86,615.0	15,272.0	6,459.0	820,227.0	1,718,513.0	17,250.3	19,990.2	37,240.5	Dec.		
377,649.0	736,471.0	87,353.0	15,292.0	7,568.0	803,285.0	1,703,534.0	18,319.5	18,882.5	37,202.0	Jan.	1996	
402,461.0	745,516.0	87,003.0	13,858.0	6,409.0	824,517.0	1,731,311.0	17,473.2	20,123.1	37,596.3	Feb.		
400,379.0	745,078.0	87,824.0	14,194.0	7,504.0	848,948.0	1,758,945.0	17,610.2	20,019.0	37,629.2	Mar.		
422,913.0	759,013.0	87,649.0	13,812.0	7,085.0	859,241.0	1,782,789.0	17,159.3	21,145.7	38,304.9	Apr.		
435,378.0	779,013.0	62,388.0	12,919.0	7,843.0	892,190.0	1,810,257.0	17,573.9	21,768.9	39,342.8	May		
457,016.0	827,394.0	56,914.0	13,424.0	8,070.0	948,334.0	1,910,391.0	18,922.4	22,850.8	41,773.2	Jun.		

* The Statutory Reserves requirements continued as 5% for Demand and Time Liabilities.

(Contd.)

5.5 SCHEDULED BANKS' POSITION

ASS

Last Thursday/ Last working day		BALANCES					FOREIGN CURRENCY			ADVANCES		
		Cash in Pakistan (c)	With State Bank of Pakistan (d)	Others (e)	Money at Call and Short Notice in Pakistan(f)	(c+d+ e+f) as % of (a)	Held in Pakistan	Balances with Banks Abroad	Total	To Banks	To Others(i)	Total
June	1987	4,623.2	22,077.2	2,066.3	3,563.8	16.15	88.6	4,765.2	4,853.8	4,335.8	138,500.9	142,836.6
"	1988	5,134.8	16,371.1	2,813.2	6,436.4	13.94	87.7	5,433.7	5,521.5	4,879.6	147,685.5	152,565.1
"	1989	4,983.7	18,956.8	2,894.8	7,499.1	14.93	84.3	6,165.7	6,249.9	6,523.6	159,081.2	165,604.8
"	1990	5,351.0	21,146.0	2,215.0	112,319.0	15.82	98.0	7,901.0	7,999.0	7,410.0	183,324.0	190,734.0
"	1991	7,339.0	25,010.0	3,984.0	5,938.0	13.10	395.0	10,873.0	11,268.0	9,090.0	197,296.0	206,386.0
"	1992	8,962.0	48,827.0	5,325.0	6,719.0	16.96	909.0	10,844.0	11,753.0	13,314.0	227,000.0	240,314.0
"	1993	11,301.0	48,745.0	8,920.8	7,002.0	15.48	2,194.0	6,190.0	8,384.0	7,830.0	308,992.0	316,822.0
"	1994	13,959.0	63,746.0	14,814.0	7,062.0	16.68	4,261.0	7,899.0	12,160.0	8,610.0	347,868.0	356,478.0
"	1995	22,841.0	83,430.0	11,012.0	8,814.0	17.78	3,017.0	8,163.0	11,180.0	13,482.0	413,811.0	427,293.0
"	1996	19,328.0	63,502.0	14,516.0	8,989.0	12.85	3,667.0	16,545.0	20,212.0	5,449.0	474,731.0	480,180.0
1995	Jul.	13,302.0	79,696.0	9,742.0	7,752.0	15.86	3,092.0	9,324.0	12,416.0	11,049.0	410,761.0	421,810.0
	Aug.	13,739.0	70,430.0	6,934.0	9,317.0	14.46	3,115.0	9,810.0	12,925.0	11,197.0	408,102.0	419,299.0
	Sep.	15,250.0	75,636.0	6,367.0	10,626.0	15.49	3,205.0	9,619.0	12,824.0	13,647.0	409,148.0	422,795.0
	Oct.	13,096.0	80,048.0	5,651.0	4,974.0	15.08	3,010.0	11,818.0	14,828.0	4,903.0	412,290.0	417,193.0
	Nov.	14,034.0	79,802.0	6,872.0	4,924.0	15.06	1,754.0	14,210.0	15,964.0	5,512.0	435,247.0	440,759.0
	Dec.	14,591.0	92,866.0	9,733.0	7,031.0	16.82	3,497.0	8,944.0	12,441.0	6,080.0	452,018.0	458,098.0
1996	Jan.	14,612.0	84,511.0	8,305.0	7,968.0	15.67	3,527.0	10,339.0	13,866.0	6,271.0	459,799.0	466,070.0
	Feb.	15,050.0	90,886.0	8,146.0	7,285.0	16.28	3,934.0	13,831.0	17,765.0	5,156.0	462,499.0	467,655.0
	Mar.	14,019.0	83,144.0	7,614.0	8,009.0	15.14	3,535.0	16,021.0	19,556.0	5,220.0	456,720.0	461,940.0
	Apr.	12,132.0	91,218.0	7,534.0	7,535.0	15.60	3,866.0	14,888.0	18,754.0	5,195.0	458,892.0	464,087.0
	May	16,585.0	62,789.0	8,468.0	8,193.0	12.33	3,473.0	16,267.0	19,740.0	5,445.0	460,997.0	464,442.0
	Jun.	19,328.0	63,502.0	14,516.0	8,989.0	12.85	3,667.0	16,545.0	20,212.0	5,449.0	474,731.0	480,180.0

BASED ON WEEKLY RETURNS

(Concl.)

ETS

(Million Rupees)

Bills Purchased and Dis counted(ii)	BANK CREDIT		INVESTMENTS IN SECURITIES AND SHARES					Total (h)	(h) as % of (a)	Other Assets	Total Assets	Excess Reserves (d-b)
	Total i+ii (g)	(g) as % of(a)	Federal Govt. Securities	Provin- cial Govts. Securities	Treasury Bills	Others						
14,556.4	153,057.3	78.64	15,448.7	4,014.4	27,710.2	24,979.7	72,153.0	36.05	147,275.1	414,005.6	11,984.2	
16,482.0	164,167.5	74.41	19,854.3	3,913.6	44,650.8	30,300.2	98,718.9	44.74	177,413.8	481,456.7	5,124.9	
20,315.6	179,396.9	78.03	23,678.5	3,993.8	39,871.3	32,168.7	99,712.3	43.37	207,984.4	534,201.4	7,190.9	
26,242.0	209,566.0	80.81	25,546.0	3,987.0	26,562.0	39,756.0	95,851.0	36.96	272,090.0	633,947.7	7,675.5	
41,020.0	238,316.0	73.84	53,279.0	3,995.0	30,633.0	37,548.0	125,455.0	38.87	351,887.0	778,287.0	8,605.2	
46,631.0	273,631.0	66.44	85,678.0	3,892.0	38,768.0	42,359.0	170,697.0	41.45	424,999.0	963,227.0	27,915.7	
44,149.0	353,141.0	71.98	121,119.0	3,727.0	35,660.0	24,046.0	184,632.0	37.63	516,246.0	1,140,201.0	23,884.6	
52,483.0	400,351.0	67.05	112,522.0	3,345.0	83,443.0	28,597.0	227,907.0	38.17	664,499.0	1,413,114.0	33,556.7	
59,649.0	473,460.0	66.75	126,848.0	3,340.0	85,132.0	31,665.0	246,985.0	34.82	782,890.0	1,654,094.0	47,549.3	
62,511.0	537,242.0	64.93	100,802.0	3,338.0	137,110.0	38,967.0	280,217.0	33.87	960,936.0	1,910,391.0	21,728.8	
58,398.0	469,159.0	67.49	127,618.0	3,341.0	97,213.0	32,020.0	260,192.0	37.43	785,716.0	1,649,024.0	44,571.1	
56,721.0	464,823.0	66.94	116,043.0	3,341.0	107,899.0	31,911.0	259,194.0	37.33	806,081.0	1,654,640.0	35,278.3	
57,666.0	466,814.0	67.03	115,317.0	3,341.0	110,624.0	31,816.0	261,098.0	37.49	815,487.0	1,677,749.0	40,316.8	
56,628.0	468,919.0	68.16	115,810.0	3,340.0	102,128.0	32,209.0	253,487.0	36.84	827,613.0	1,673,518.0	45,425.1	
58,795.0	494,042.0	70.43	116,548.0	3,340.0	86,279.0	32,554.0	238,721.0	34.03	839,728.0	1,699,599.0	44,532.8	
61,775.0	513,793.0	69.59	117,636.0	3,340.0	97,617.0	32,455.0	251,048.0	34.00	810,930.0	1,718,513.0	55,625.5	
61,833.0	521,632.0	70.83	118,205.0	3,339.0	97,073.0	33,077.0	251,694.0	34.18	794,675.0	1,703,534.0	47,309.1	
62,149.0	524,648.0	70.37	112,784.0	3,339.0	91,648.0	33,587.0	241,358.0	32.37	821,017.0	1,731,311.0	53,289.8	
62,352.0	519,072.0	69.67	103,585.0	3,339.0	108,540.0	33,541.0	249,005.0	33.42	853,306.0	1,758,945.0	45,514.9	
63,408.0	522,300.0	68.81	113,170.0	3,339.0	112,295.0	33,720.1	262,524.0	34.59	855,597.0	1,782,789.0	52,913.1	
61,668.0	522,665.0	67.09	108,027.0	3,339.0	126,451.0	35,001.0	272,818.0	35.02	893,554.0	1,810,257.0	23,446.2	
62,511.0	537,242.0	64.93	100,802.0	3,338.0	137,110.0	38,967.0	280,217.0	33.87	960,936.0	1,910,391.0	21,728.8	

5.6 SCHEDULED BANKS'

I T E M	E n d J u n .				
	1987	1988	1989	1990	1991
LIABILITIES					
Capital	8,815.5	9,901.9	10,659.1	11,365.8	11,933.3
Reserves	7,451.1	8,372.5	9,923.5	11,163.3	12,169.3
Demand Deposits:	92,289.8	105,013.2	117,201.1	132,794.4	158,823.5
(a) Scheduled Banks	2,921.2	3,642.1	3,893.7	5,461.1	7,491.8
(b) Others	89,368.7	101,371.1	113,307.4	127,333.3	151,331.8
Time Deposits:	106,252.7	113,188.9	128,286.2	152,350.0	192,845.3
(a) Scheduled Banks	497.4	1,046.4	1,088.3	429.1	290.3
(b) Others	105,755.2	112,142.6	127,197.9	151,920.9	192,554.5
Borrowings from:	31,782.2	38,168.4	41,884.6	55,693.9	69,756.7
(a) State Bank of Pakistan	28,269.4	33,340.1	36,547.7	40,284.0	48,782.7
(b) Banks Abroad	288.7	622.0	642.0	9,498.1	11,140.6
(c) Other Scheduled Banks	3,224.1	4,206.3	4,694.9	5,911.9	9,833.4
Head Office and Inter-Bank Adjustment	11,710.7	12,966.5	12,061.3	20,285.8	26,430.8
Contingent Liabilities as per contra	123,157.4	151,148.2	188,627.2	247,627.9	299,501.3
Other Liabilities	60,111.6	64,696.5	78,145.5	90,023.0	102,725.1
TOTAL LIABILITIES / ASSETS	441,571.0	503,456.2	586,788.3	721,304.2	874,185.3
ASSETS					
Cash:	30,889.4	28,600.0	31,687.8	35,044.6	42,332.2
(a) Notes, Coins and Silver	4,532.1	5,175.6	5,840.4	5,564.2	9,734.4
(b) Balances with State Bank of Pakistan	22,077.5	16,505.2	18,956.8	21,147.4	25,012.5
(c) Balances with Other Scheduled Banks	4,279.8	6,919.2	6,890.5	8,332.9	7,585.3
Balances held Abroad	4,769.8	5,434.8	6,165.7	7,903.2	10,875.5
Bills Purchased and Discounted	13,464.6	14,765.4	18,667.3	24,986.7	35,449.1
Advances to:	149,946.1	164,338.4	181,725.1	225,450.2	240,647.6
(a) Scheduled Banks	788.2	1,287.4	3,254.0	8,460.3	5,319.5
(b) Others	149,157.9	163,051.0	178,471.1	216,989.9	235,328.1
Investment in Securities and Shares:	66,831.3	89,644.0	90,522.7	78,620.7	110,632.5
(a) Federal Government Securities	15,228.1	19,062.5	23,113.9	23,082.6	51,294.5
(b) Treasury Bills	27,582.1	44,646.3	40,099.3	27,223.0	31,206.2
(c) Provincial Governments Securities	4,047.8	4,064.9	4,018.5	27,223.0	3,916.4
(d) Foreign Securities	2.6	2.6	2.6	2.6	2.6
(e) Others	19,970.8	21,867.7	23,288.4	24,331.5	24,212.8
Bank Premises	817.3	983.8	986.0	1,309.0	1,435.6
Head Office and Inter-Bank Adjustment	11,785.6	1,842.4	11,279.9	14,891.2	29,716.3
Contingent Assets as per contra	123,157.4	151,148.2	188,627.2	247,627.9	299,501.3
Other Assets	39,909.5	46,699.0	57,126.6	85,470.7	103,595.3

LIABILITIES AND ASSETS

(Million Rupees)

E n d		J u n .		End Dec.		I T E M
1992	1993	1994	1995	1995		
16,174.6	20,601.4	23,170.7	29,115.5	30,958.9		LIABILITIES
13,820.0	15,724.7	18,965.3	21,509.1	21,246.5		Capital
198,155.2	233,809.4	272,512.3	321,172.3	344,163.5		Reserves
8,149.0	9,664.6	10,032.9	6,677.2	3,831.2		Demand Deposits:
190,006.2	224,144.8	262,479.4	314,495.1	340,332.3		(a) Scheduled Banks
						(b) Others
227,336.2	267,842.9	336,260.8	401,210.8	426,408.6		Time Deposits:
640.3	1,189.8	5,618.3	3,052.0	1,444.7		(a) Scheduled Banks
226,695.9	266,653.1	330,642.5	398,158.9	424,963.9		(b) Others
76,231.7	77,705.6	101,415.7	109,492.7	104,426.5		Borrowings from:
57,267.0	65,200.6	70,544.5	82,697.6	90,692.9		(a) State Bank of Pakistan
11,689.1	3,274.1	14,217.3	3,502.4	4,653.4		(b) Banks Abroad
7,275.6	9,230.9	16,653.9	23,292.7	9,080.2		(c) Other Scheduled Banks
27,148.0	35,020.3	43,263.4	38,498.8	45,679.1		Head Office and Inter-Bank Adjustment
331,395.0	426,888.2	526,192.6	586,676.0	619,932.8		Contingent Liabilities as per contra
75,045.0	235,580.2	282,661.7	342,678.0	293,856.5		Other Liabilities
965,305.7	1,313,172.7	1,604,442.5	1,850,572.4	1,886,672.5		TOTAL LIABILITIES / ASSETS
						ASSETS
66,362.9	80,599.5	95,699.7	103,270.9	136,207.4		Cash:
8,962.0	14,621.7	15,014.0	25,936.2	16,414.2		(a) Notes, Coins and Silver
48,827.0	50,654.6	63,766.1	61,861.5	106,759.7		(b) Balances with State Bank of Pakistan
8,573.9	15,323.2	16,919.6	15,473.2	13,033.6		(c) Balances with Other Scheduled Banks
10,844.0	7,701.8	7,900.4	8,785.4	14,350.1		Balances held Abroad
35,482.5	36,336.7	41,622.5	46,067.3	44,710.0		Bills Purchased and Discounted
291,281.8	348,566.4	399,433.0	462,906.6	497,743.9		Advances to:
10,930.7	4,524.7	3,874.9	9,057.8	2,334.1		(a) Scheduled Banks
280,351.1	344,041.6	395,558.1	453,848.8	495,409.9		(b) Others
146,478.1	184,641.1	231,087.2	246,122.5	268,794.3		Investment in Securities and Shares:
79,339.4	112,805.9	112,663.1	116,813.7	133,063.7		(a) Federal Government Securities
38,768.0	42,904.8	87,993.4	92,292.1	100,355.2		(b) Treasury Bills
3,827.3	3,678.9	3,233.7	3,257.2	3,218.3		(c) Provincial Governments Securities
2.6	2.6	2.6	2.6	1.9		(d) Foreign Securities
24,540.8	25,248.9	27,194.4	33,756.9	32,155.2		(e) Others
1,751.9	3,908.2	2,633.8	4,661.7	5,041.5		Bank Premises
19,928.5	54,659.5	75,104.7	83,686.2	80,878.3		Head Office and Inter-Bank Adjustment
331,395.0	426,888.2	526,192.6	586,676.0	619,932.8		Contingent Assets as per contra
61,781.0	169,871.4	224,768.7	308,396.0	219,014.1		Other Assets

5.7 CLASSIFICATION OF

By

BORROWER	All Banks			Commercial Banks		
	End Jun.		End Dec.	End Jun.		End Dec.
	1994	1995	1995	1994	1995	1995
A. FOREIGN CONSTITUENTS:	431.5	246.2	41.8	431.5	244.4	41.8
I. Official	-	-	-	-	-	-
II. Business	430.4	241.7	39.8	430.4	241.7	39.8
III. Personal	1.1	4.5	2.0	1.1	2.7	2.0
B. DOMESTIC CONSTITUENTS:	395,126.6	453,666.8	495,368.1	325,056.4	375,913.3	417,156.2
I. Government:	38,505.8	44,336.9	43,239.6	38,505.8	44,336.9	43,239.6
(a) Federal Government	26,044.6	30,552.8	32,588.3	26,044.6	30,552.8	32,588.3
(i) Commodity Operations	26,044.6	30,508.9	32,288.3	26,044.6	30,508.9	32,288.3
(ii) Others	-	43.9	300.0	-	43.9	300.0
(b) Provincial Governments:	12,461.2	13,416.7	10,412.4	12,461.2	13,416.7	10,412.4
(i) Commodity Operations	10,233.3	11,042.2	8,096.1	10,233.3	11,042.2	8,096.1
(ii) Others	2,227.9	2,374.5	2,316.3	2,227.9	2,374.5	2,316.3
(c) Local Bodies	-	367.4	239.0	-	367.4	239.0
II. Public Sector Enterprises:	20,704.2	26,426.1	28,412.4	20,042.0	25,702.7	27,281.4
(a) Agriculture, Forestry, Hunting and Fishing	75.4	127.8	60.8	75.4	127.8	60.8
(b) Mining and Quarrying	1,111.2	1,731.2	1,706.3	1,111.2	1,731.2	1,706.3
(c) Manufacturing	7,315.2	10,519.1	11,104.0	6,653.1	9,797.2	9,974.5
(d) Construction	150.5	125.8	213.8	150.5	125.8	213.8
(e) Electricity, Gas and Sanitary Services	4,260.3	4,509.2	5,541.5	4,260.3	4,509.2	5,541.5
(f) Commerce:	2,235.0	2,800.6	3,383.8	2,235.0	2,799.1	3,382.3
(i) Wholesale and Retail Trade	291.9	368.0	1,170.4	291.9	366.5	1,168.9
(ii) Exports/Imports	1,695.4	1,905.4	1,920.9	1,659.4	1,905.4	1,920.9
(iii) Co-operative Banks (Excl. P.P.C.B.)	-	-	5.5	-	-	5.5
(iv) Insurance	15.2	..	-	15.2	..	-
(v) Non-Bank Financial Institutions	268.5	527.2	287.0	268.5	527.2	287.0
(g) Transport, Storage and Communication	1,933.7	2,721.5	3,359.2	1,933.7	2,721.5	3,359.2
(h) Services	1,278.9	1,425.2	1,289.3	1,278.9	1,425.2	1,289.3
(i) Other Public Sector Enterprises	2,344.0	2,465.8	1,753.7	2,344.0	2,465.8	1,753.7
III. Private Sector (Business):	290,757.9	332,019.0	364,359.0	226,789.3	261,261.8	297,629.8
(a) Agriculture, Forestry, Hunting and Fishing	53,526.7	59,139.1	59,078.3	18,406.4	9,696.5	15,295.1
(b) Mining and Quarrying	2,912.1	2,797.9	2,837.8	2,276.2	2,106.5	2,075.3
(c) Manufacturing:	123,071.3	149,812.1	172,020.3	102,728.1	132,979.3	153,935.7
(i) Food Industries	14,771.5	14,792.3	16,565.0	9,408.9	12,345.2	13,697.5
(ii) Beverage Industries	2,942.4	2,872.1	4,362.9	2,781.4	2,804.2	4,293.0

SCHEDULED BANKS' ADVANCES

Borrower

(Million Rupees)

BORROWER	All Banks			Commercial Banks		
	End Jun.	End Dec.		End Jun.	End Dec.	
	1994	1995	1995	1994	1995	1995
(iii) Tobacco	1,022.3	1,427.1	913.6	1,017.2	1,422.3	909.1
(iv) Textiles	52,804.4	65,420.8	74,374.1	46,779.5	60,379.0	69,627.0
(v) Footwear, Other Wearing Apparel and made-up Textile Goods	5,392.9	7,131.1	7,266.6	5,271.1	7,006.1	7,117.9
(vi) Wood and Cork except Furniture	320.1	301.4	458.3	281.8	266.9	409.0
(vii) Furniture and Fixtures	369.4	380.6	351.2	319.1	204.9	274.3
(viii) Paper and Paper Products	2,118.2	2,211.7	2,662.9	1,462.8	1,534.9	2,030.2
(ix) Printing, Publishing and Allied Industries	2,350.5	2,343.7	2,664.4	2,145.7	2,076.8	2,420.5
(x) Leather and Leather Products except Footwear	2,799.5	4,007.7	3,914.8	2,548.8	3,714.9	3,617.7
(xi) Rubber Products	1,108.4	1,405.7	930.0	991.4	1,213.8	784.3
(xii) Chemicals and Chemical Products	7,707.3	7,696.8	8,974.2	6,681.4	6,390.9	7,567.2
(xiii) Products of Petroleum and Coal	890.6	1,052.6	1,214.3	798.9	943.4	1,105.5
(xiv) Non-metallic Mineral Products except Product of Petroleum and Coal	1,900.9	2,885.9	3,792.3	1,256.2	2,196.2	3,099.4
(xv) Basic Metal Industries	2,950.8	3,741.0	4,006.0	2,557.7	3,336.1	3,537.1
(xvi) Metal Products except Machinery and Transport Equipments	1,873.5	2,488.6	2,306.3	1,453.6	2,092.3	1,888.3
(xvii) Machinery except Electrical Machinery	615.6	750.5	1,048.4	501.4	611.6	906.8
(xviii) Electrical Machinery, Apparatus, Appliances and Supplies	3,286.6	4,923.8	5,321.7	2,744.9	4,453.7	4,820.5
(xix) Transport Equipments	1,668.5	1,915.6	1,787.5	1,572.5	1,800.8	1,661.2
(xx) Miscellaneous Industries	16,178.0	22,063.0	29,105.6	12,153.7	18,185.3	24,169.2
(d) Construction	7,637.2	7,976.3	5,988.0	5,799.8	7,256.0	5,941.5
(e) Electricity, Gas, Water and Sanitary Services	2,864.4	4,346.1	4,457.9	2,585.7	4,020.8	3,712.6
(f) Commerce:	58,813.8	61,517.2	67,611.7	54,390.4	59,639.5	65,275.5
(i) Wholesale and Retail Trade	24,779.0	27,043.5	31,083.7	21,606.6	26,739.8	30,867.7
(ii) Exports/Imports	27,168.7	28,071.2	29,951.0	26,992.8	28,071.2	29,951.0
(iii) Non-Scheduled Banks and Other Financial Institutions	4,005.7	3,306.3	3,406.8	3,980.5	3,306.3	3,406.8
(iv) Co-operative Societies	1,353.5	1,609.1	1,718.3	305.1	353.8	348.8
(v) Insurance	389.8	413.6	301.3	389.8	235.2	138.1
(vi) Real Estate Dealers [Excl. item(d)]	1,117.1	1,073.4	1,150.6	1,115.6	933.1	563.1
(g) Transport, Storage and Communication	12,658.5	13,991.6	13,996.6	12,516.4	13,857.7	13,866.3
(h) Services	2,569.6	3,111.4	4,107.2	2,083.9	2,572.1	3,579.5
(i) Other Private Business	26,704.2	29,327.4	34,261.3	26,002.4	29,133.4	33,948.3
IV. Trust Funds and Non-Profit Organisations	215.6	446.1	693.7	215.6	446.1	693.7
V. Personal	43,287.6	49,323.2	57,406.9	38,159.0	43,123.1	47,293.4
VI. Other activities not adequately described	1,655.5	1,115.5	1,256.4	1,344.7	1,042.7	1,018.4
TOTAL	395,558.1	453,913.0	495,409.9	325,488.0	376,157.6	417,198.0

5.8 CLASSIFICATION OF

By Securities

SECURITY	All Banks			Commercial Banks		
	End Jun.		End Dec.	End Jun.		End Dec.
	1994	1995	1995	1994	1995	1995
I. GOLD, BULLION, GOLD & SILVER ORNAMENTS AND PRECIOUS METALS	864.3	930.7	881.4	864.3	930.7	881.4
II. SECURITIES, SHARES AND OTHER FINANCIAL INSTRUMENTS:	9,583.3	13,837.0	12,067.0	9,583.3	13,837.0	12,067.0
A. Quoted on the Stock Exchange:	6,814.8	10,710.0	7,707.1	6,814.8	10,710.0	7,707.1
1. To Stock Brokers and Dealers:	1,966.7	3,631.4	2,082.5	1,966.7	3,631.4	2,082.5
(a) Govt. and Other Trustee Securities	432.1	541.9	655.3	432.1	541.9	655.3
(b) Shares and Debentures	745.6	2,427.4	1,346.3	745.6	2,427.4	1,346.3
(c) Participation Term Certificates	0.9	0.1	0.1	0.9	0.1	0.1
(d) Others	788.0	662.0	80.8	788.0	662.0	80.8
2. To Others:	4,848.2	7,078.7	5,624.6	4,848.2	7,078.7	5,624.6
(a) Govt. and Other Trustee Securities	1,064.0	1,283.5	999.9	1,064.0	1,283.5	999.9
(b) Shares and Debentures	2,519.2	4,639.4	3,673.9	2,519.2	4,639.4	3,673.9
(c) Participation Term Certificates	-	-	-	-	-	-
(d) Others	1,265.0	1,155.7	950.8	1,265.0	1,155.7	950.8
B. Unquoted on the Stock Exchange:	2,768.5	3,127.0	4,359.9	2,768.5	3,127.0	4,359.9
1. To Stock Brokers and Dealers:	232.6	415.2	671.0	232.6	415.2	671.0
(a) Govt. and Other Trustee Securities	124.7	248.4	564.3	124.7	248.4	564.3
(b) Shares and Debentures	99.0	62.9	65.8	99.0	62.9	65.8
(c) Participation Term Certificates	-	-	1.3	-	-	1.3
(d) Others	8.9	103.9	39.7	8.9	103.9	39.7
2. To Others:	2,535.9	2,711.8	3,688.9	2,535.9	2,711.8	3,688.9
(a) Govt. and Other Trustee Securities	1,577.1	2,174.8	2,825.7	1,577.1	2,174.8	2,825.7
(b) Shares and Debentures	80.6	125.9	420.3	80.6	125.9	420.3
(c) Participation Term Certificates	1.8	1.6	-	1.8	1.6	-
(d) Others	876.4	409.4	442.9	876.4	409.4	442.9
III. MERCHANDISE:	143,896.2	165,293.9	177,092.9	143,876.4	165,164.7	177,089.8
A. Food Items:	44,956.3	48,462.1	50,943.1	44,956.3	48,337.3	50,943.1
1. Wheat	19,841.3	21,464.9	20,179.7	19,841.3	21,340.2	20,179.7
2. Rice and Paddy	15,377.9	15,955.2	16,870.0	15,377.9	15,955.2	16,870.0
3. Other Grain and Pulses:	526.8	722.0	927.3	526.8	722.0	927.3
(a) Indigenous	413.9	340.9	864.8	413.9	340.9	864.8
(b) Imported	112.9	381.0	62.5	112.9	381.0	62.5
4. Edible Oils:	3,366.3	4,414.9	6,289.0	3,366.3	4,414.9	6,289.0
(a) Indigenous	1,780.4	2,257.7	4,176.3	1,780.4	2,257.7	4,176.3
(b) Imported	1,585.9	2,157.2	2,112.6	1,585.9	2,157.2	2,112.6
5. Sugar:	2,539.4	3,008.0	3,161.3	2,539.4	3,008.0	3,161.3
(a) Indigenous	1,645.2	1,744.0	2,464.6	1,645.2	1,744.0	2,464.6
(b) Imported	894.2	1,264.0	696.7	894.2	1,264.0	696.7
6. Kariana and Spices	325.7	566.5	855.4	325.7	566.5	855.4
7. Fish and Fish Preparation	905.6	492.2	1,048.7	905.6	492.2	1,048.7
8. Other Food Items:	2,073.2	1,838.4	1,611.8	2,073.2	1,838.4	1,611.8
(a) Indigenous	1,899.3	1,405.0	1,284.2	1,899.3	1,405.0	1,284.2
(b) Imported	174.0	433.3	327.6	174.0	433.3	327.6
B. Raw Materials:	24,996.6	32,826.4	37,272.0	24,981.0	32,822.0	37,269.0
1. Cotton Raw:	8,507.8	13,070.5	17,743.6	8,507.8	13,070.5	17,743.6
(a) Indigenous	6,044.9	10,185.4	13,936.9	6,044.9	10,185.4	13,936.9
(b) Imported	2,462.8	2,885.1	3,806.7	2,462.8	2,885.1	3,806.7
2. Synthetic Fibres:	960.8	1,016.1	1,657.6	960.8	1,016.1	1,657.6
(a) Indigenous	351.5	198.4	989.2	351.5	198.4	989.2
(b) Imported	609.3	817.7	668.4	609.3	817.7	668.4
3. Fertilizers:	2,024.3	1,441.3	1,457.0	2,024.3	1,441.3	1,457.0
(a) Indigenous	715.4	1,424.8	1,435.8	715.4	1,424.8	1,435.8
(b) Imported	1,308.9	16.5	21.2	1,308.9	16.5	21.2
4. Petroleum Crude:	1,275.9	1,677.3	1,045.4	1,275.9	1,677.3	1,045.4
(a) Indigenous	320.5	551.9	173.5	320.5	551.9	173.5
(b) Imported	955.4	1,125.3	871.9	955.4	1,125.3	871.9

SCHEDULED BANKS' ADVANCES

Pledged

(Million Rupees)

SECURITY	All Banks			Commercial Banks		
	End Jun.		End Dec.	End Jun.		End Dec.
	1994	1995	1995	1994	1995	1995
5. Iron and Steel:	2,669.4	3,734.1	4,466.9	2,669.4	3,734.1	4,466.9
(a) Indigenous	894.5	1,409.8	1,946.4	894.5	1,409.8	1,946.4
(b) Imported	1,774.8	2,324.3	2,520.5	1,774.8	2,324.3	2,520.5
6. Wool and Goat Hair	539.7	622.0	878.3	539.7	622.0	878.3
7. Hides and Skins	2,446.1	2,419.7	2,156.5	2,446.1	2,419.7	2,156.5
8. Oil Seeds	414.9	216.2	712.2	414.9	216.2	712.2
9. Pesticides and Insecticides:	156.9	133.7	224.6	156.9	133.7	224.6
(a) Indigenous	51.9	46.2	42.9	51.9	46.2	42.9
(b) Imported	105.1	87.5	181.7	105.1	87.5	181.7
10. Other Raw Materials:	6,000.8	8,495.5	6,930.0	5,985.2	8,491.1	6,927.0
(a) Indigenous	2,393.4	3,027.9	2,113.9	2,393.4	3,027.9	2,113.9
(b) Imported	3,607.4	5,467.7	4,816.2	3,591.9	5,463.3	4,813.1
C. Finished/Manufactured Goods:	73,943.4	84,005.5	88,877.7	73,939.1	84,005.5	88,877.7
1. Cotton Textiles:	9,584.9	14,122.1	13,018.7	9,584.9	14,122.1	13,018.7
(a) Indigenous	8,011.6	12,618.7	11,032.9	8,011.6	12,618.7	11,032.9
(b) Imported	1,573.4	1,503.5	1,985.8	1,573.4	1,503.5	1,985.8
2. Cotton Yarn:	4,293.8	4,610.5	6,683.3	4,293.8	4,610.5	6,683.3
(a) Indigenous	3,000.2	3,193.7	4,736.6	3,000.2	3,193.7	4,736.6
(b) Imported	1,293.5	1,416.8	1,946.7	1,293.5	1,416.8	1,946.7
3. Other Textiles:	5,027.7	7,306.5	8,613.7	5,027.7	7,306.5	8,613.7
(a) Indigenous	4,858.2	7,008.9	7,411.4	4,858.2	7,008.9	7,411.4
(b) Imported	169.5	297.7	1,202.4	169.5	297.7	1,202.4
4. Machinery:	15,556.6	15,263.6	14,094.8	15,552.4	15,263.6	14,094.8
(a) Indigenous	6,930.0	8,697.8	7,415.3	6,930.0	8,697.8	7,415.3
(b) Imported	8,626.6	6,565.8	6,679.5	8,622.4	6,565.8	6,679.5
5. Handloom Products	813.1	129.4	74.0	813.1	129.4	74.0
6. Carpets and Rugs	2,603.8	1,816.1	1,579.4	2,603.8	1,816.1	1,579.4
7. Readymade Garments	2,782.3	4,549.7	5,859.4	2,782.3	4,549.7	5,859.4
8. Cement and Cement Products:	1,046.9	1,171.2	1,074.7	1,046.9	1,171.2	1,074.7
(a) Indigenous	537.7	1,140.9	920.9	537.7	1,140.9	920.9
(b) Imported	509.1	30.3	153.9	509.1	30.3	153.9
9. Sports Goods	515.1	1,016.6	512.1	515.1	1,016.6	512.1
10. Surgical Instruments	290.0	343.6	459.7	290.0	343.6	459.7
11. Chemicals and Dyes	6,127.4	5,546.3	6,391.1	6,127.4	5,546.3	6,391.1
12. Other finished goods:	25,301.8	28,129.7	30,516.7	25,301.8	28,129.7	30,516.7
(a) Indigenous	11,907.5	12,602.7	12,025.8	11,907.5	12,602.7	12,025.8
(b) Imported	13,394.3	15,527.0	18,490.9	13,394.3	15,527.0	18,490.9
IV. FIXED ASSETS INCLUDING MACHINERY	43,396.8	52,115.1	59,297.3	29,676.0	36,875.9	48,747.6
V. REAL ESTATE:	77,716.5	99,038.2	108,832.5	42,844.6	54,215.7	55,679.4
(a) Land	45,870.2	55,280.2	63,815.7	15,096.6	14,663.3	13,934.2
(b) Buildings:	31,846.3	43,758.0	45,016.8	27,748.1	39,552.4	41,745.2
1. Residential	21,499.5	29,455.6	29,110.6	20,076.1	27,770.6	28,338.2
2. Non-Residential	10,346.7	14,302.4	15,906.1	7,672.0	11,781.8	13,407.0
VI. FIXED DEPOSITS & INSURANCE POLICIES:	17,842.2	24,351.4	25,838.0	17,791.9	24,033.2	25,809.6
(a) Bank Deposits	16,442.4	22,919.1	24,971.4	16,392.8	22,601.7	24,943.4
(b) Insurance Policies	1,399.8	1,432.4	866.7	1,399.1	1,431.5	866.2
VII. OTHERS:	102,258.8	98,346.8	111,400.8	80,851.4	81,100.4	96,923.2
(a) Other Secured Advances	71,304.8	66,841.8	67,590.3	58,589.4	54,928.7	57,619.4
(b) Advances Secured by Guarantee(s)	24,165.3	20,355.9	30,999.5	17,514.3	18,147.4	28,971.6
(c) Unsecured Advances	6,788.7	11,149.1	12,811.0	4,747.7	8,024.2	10,332.1
TOTAL	395,558.1	453,913.0	495,409.9	325,488.0	376,157.6	417,198.0

5.9 CLASSIFICATION OF SCHEDULED

SIZE OF ACCOUNT				All Banks					
				E n d J u n .				End Dec.	
				1994		1995		1995	
				No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Less than`	Rs. 1,000	39,991	16.1	48,232	27.3	28,317	33.2		
Rs. 1,000 to	Rs. 1,500	15,963	20.0	14,587	17.6	12,726	16.1		
Rs. 1,500 to	Rs. 2,000	17,495	30.5	15,409	26.7	12,681	21.8		
Rs. 2,000 to	Rs. 3,000	31,846	76.3	19,749	48.2	18,588	47.3		
Rs. 3,000 to	Rs. 4,000	49,276	170.9	19,183	67.1	22,047	75.8		
Rs. 4,000 to	Rs. 5,000	54,950	242.2	28,415	127.4	16,848	75.0		
Rs. 5,000 to	Rs. 6,000	34,814	191.3	33,465	183.0	20,700	113.0		
Rs. 6,000 to	Rs. 7,000	43,613	284.9	36,418	236.4	19,494	125.4		
Rs. 7,000 to	Rs. 8,000	41,481	311.0	44,786	334.8	29,061	219.4		
Rs. 8,000 to	Rs. 9,000	42,611	361.9	38,055	324.0	37,629	322.0		
Rs. 9,000 to	Rs. 10,000	45,597	432.5	39,537	374.9	28,219	270.1		
Rs. 10,000 to	Rs. 20,000	317,189	4,599.9	320,452	4,824.6	354,470	5,261.2		
Rs. 20,000 to	Rs. 25,000	94,032	2,103.4	108,671	2,440.8	126,295	2,820.4		
Rs. 25,000 to	Rs. 30,000	76,890	2,101.7	118,956	3,263.6	120,571	3,317.6		
Rs. 30,000 to	Rs. 40,000	119,532	4,053.0	133,840	4,592.0	133,757	4,631.6		
Rs. 40,000 to	Rs. 50,000	56,939	2,551.5	92,052	4,074.3	93,850	4,238.9		
Rs. 50,000 to	Rs. 60,000	65,546	3,542.3	69,404	3,762.1	107,220	5,868.2		
Rs. 60,000 to	Rs. 70,000	77,048	5,022.1	96,117	6,205.8	73,375	4,804.2		
Rs. 70,000 to	Rs. 80,000	42,978	3,204.7	75,254	5,592.8	69,456	5,108.7		
Rs. 80,000 to	Rs. 90,000	57,230	4,819.8	48,733	4,125.7	53,655	4,526.4		
Rs. 90,000 to	Rs. 100,000	42,363	4,002.1	44,549	4,226.5	40,424	3,818.8		
Rs. 100,000 to	Rs. 200,000	143,797	20,282.3	169,663	23,526.7	163,260	22,705.3		
Rs. 200,000 to	Rs. 300,000	72,449	17,628.9	75,253	18,677.7	77,031	19,105.8		
Rs. 300,000 to	Rs. 400,000	28,766	9,771.9	33,478	11,501.0	38,334	13,018.2		
Rs. 400,000 to	Rs. 500,000	9,365	4,167.6	14,171	6,237.5	15,258	6,768.8		
Rs. 500,000 to	Rs. 600,000	9,667	5,271.4	5,652	3,088.9	8,881	4,771.5		
Rs. 600,000 to	Rs. 700,000	5,314	3,493.4	6,122	3,932.4	7,354	4,728.9		
Rs. 700,000 to	Rs. 800,000	5,205	3,867.1	3,475	2,606.8	4,359	3,284.1		
Rs. 800,000 to	Rs. 900,000	3,408	2,871.8	4,306	3,660.8	2,855	2,433.4		
Rs. 900,000 to	Rs. 1,000,000	3,568	3,402.8	2,810	2,660.7	5,466	5,236.6		
Rs. 1,000,000 to	Rs. 2,000,000	13,552	19,240.6	16,271	23,665.2	16,380	23,533.7		
Rs. 2,000,000 to	Rs. 3,000,000	5,976	14,343.8	6,237	15,233.7	7,655	18,699.1		
Rs. 3,000,000 to	Rs. 4,000,000	3,212	11,058.4	3,373	11,612.0	3,158	10,884.5		
Rs. 4,000,000 to	Rs. 5,000,000	2,524	11,148.1	2,261	10,170.3	2,677	12,070.9		
Rs. 5,000,000 to	Rs. 6,000,000	1,624	8,826.9	1,761	9,530.5	1,894	10,251.3		
Rs. 6,000,000 to	Rs. 7,000,000	1,164	7,456.6	1,201	7,776.5	1,280	8,315.2		
Rs. 7,000,000 to	Rs. 8,000,000	755	5,629.2	851	6,376.7	770	5,781.9		
Rs. 8,000,000 to	Rs. 9,000,000	648	5,493.4	726	6,144.3	816	6,944.0		
Rs. 9,000,000 to	Rs. 10,000,000	648	6,170.9	669	6,402.9	642	6,067.6		
Rs. 10,000,000 and over		5,334	197,294.8	6,377	236,233.0	7,077	265,094.1		
TOTAL		1,684,360	395,558.1	1,800,521	453,913.0	1,784,530	495,409.9		

BANKS' ADVANCES BY SIZE OF ACCOUNT

(Million Rupees)

Commercial Banks							
E n d J u n .				E n d D e c .			
1994		1995		1995		SIZE OF ACCOUNT	
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount		
29,011	13.2	34,674	16.5	21,055	10.1	Less than	Rs. 1,000
10,466	13.2	8,342	10.3	9,219	11.6	Rs. 1,000	to Rs. 1,500
14,483	25.2	8,133	14.1	8,489	14.8	Rs. 1,500	to Rs. 2,000
16,383	39.7	12,984	31.0	14,086	34.8	Rs. 2,000	to Rs. 3,000
38,031	132.0	12,354	42.7	16,231	56.4	Rs. 3,000	to Rs. 4,000
36,480	162.3	20,380	91.8	12,617	56.2	Rs. 4,000	to Rs. 5,000
26,546	145.6	16,618	91.4	14,466	79.0	Rs. 5,000	to Rs. 6,000
30,483	199.1	30,918	200.3	16,313	105.1	Rs. 6,000	to Rs. 7,000
29,332	218.3	34,523	257.7	21,472	161.9	Rs. 7,000	to Rs. 8,000
32,604	275.7	27,362	231.3	18,059	154.2	Rs. 8,000	to Rs. 9,000
41,950	397.7	27,781	263.8	20,726	198.1	Rs. 9,000	to Rs. 10,000
204,910	2,808.2	197,711	2,756.1	228,360	3,240.4	Rs. 10,000	to Rs. 20,000
35,889	798.0	41,099	909.4	48,895	1,084.0	Rs. 20,000	to Rs. 25,000
26,071	720.3	35,698	970.4	39,605	1,083.9	Rs. 25,000	to Rs. 30,000
42,029	1,447.3	36,486	1,262.2	38,700	1,341.0	Rs. 30,000	to Rs. 40,000
24,498	1,095.8	25,892	1,169.4	28,666	1,291.0	Rs. 40,000	to Rs. 50,000
24,148	1,306.9	22,462	1,206.2	25,445	1,355.6	Rs. 50,000	to Rs. 60,000
19,886	1,290.8	16,323	1,064.1	18,983	1,239.4	Rs. 60,000	to Rs. 70,000
13,878	1,032.8	18,128	1,361.5	14,395	1,076.2	Rs. 70,000	to Rs. 80,000
15,269	1,290.3	15,547	1,319.7	17,071	1,436.4	Rs. 80,000	to Rs. 90,000
10,562	1,005.1	16,621	1,569.7	13,556	1,281.6	Rs. 90,000	to Rs. 100,000
73,045	10,877.3	75,198	10,806.3	78,089	11,131.9	Rs. 100,000	to Rs. 200,000
60,770	14,832.0	60,227	15,095.5	63,350	15,859.4	Rs. 200,000	to Rs. 300,000
26,007	8,824.9	29,779	10,194.6	31,293	10,671.0	Rs. 300,000	to Rs. 400,000
8,490	3,792.2	11,869	5,229.9	14,024	6,214.2	Rs. 400,000	to Rs. 500,000
7,980	4,306.7	5,234	2,860.3	8,062	4,304.4	Rs. 500,000	to Rs. 600,000
4,264	2,804.1	5,474	3,515.3	7,010	4,495.3	Rs. 600,000	to Rs. 700,000
3,791	2,831.2	3,223	2,420.6	3,960	2,976.0	Rs. 700,000	to Rs. 800,000
2,203	1,864.2	3,581	3,057.6	2,713	2,273.0	Rs. 800,000	to Rs. 900,000
3,183	3,042.8	2,723	2,577.9	5,248	5,015.7	Rs. 900,000	to Rs. 1,000,000
12,662	17,937.4	15,427	22,401.4	15,015	21,761.0	Rs. 1,000,000	to Rs. 2,000,000
5,334	12,808.3	5,652	13,851.3	7,139	17,450.8	Rs. 2,000,000	to Rs. 3,000,000
2,715	9,420.9	2,853	9,804.4	2,881	9,921.6	Rs. 3,000,000	to Rs. 4,000,000
2,045	9,075.0	2,076	9,338.5	2,467	11,129.5	Rs. 4,000,000	to Rs. 5,000,000
1,475	8,008.8	1,661	8,978.0	1,733	9,385.5	Rs. 5,000,000	to Rs. 6,000,000
1,070	6,837.8	1,067	6,907.1	1,077	7,035.9	Rs. 6,000,000	to Rs. 7,000,000
691	5,147.8	793	5,946.8	696	5,226.0	Rs. 7,000,000	to Rs. 8,000,000
535	4,548.6	675	5,724.3	760	6,465.0	Rs. 8,000,000	to Rs. 9,000,000
533	5,086.0	640	6,128.5	590	5,575.8	Rs. 9,000,000	to Rs. 10,000,000
4,703	179,024.4	5,651	216,479.9	6,389	244,994.3	Rs. 10,000,000	and over
944,410	325,488.0	893,839	376,157.6	898,905	417,198.0	TOTAL	

5.10 CLASSIFICATION OF SCHEDULED BANKS' ADVANCES ALL As on

SIZE OF ACCOUNT			D O M E S T I C									
			FOREIGN CONSTITUENTS		Government		Public Sector Enterprises		Private Sector (Business)		Trust Funds & Non- Profit Organisations	
			No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Less than`	Rs.	1,000	-	-	-	-	-	-	10,281	23.2	1	..
Rs.	1,000 to Rs.	1,500	-	-	-	-	-	7,848	10.1	-	-	
Rs.	1,500 to Rs.	2,000	-	-	-	-	-	5,826	10.2	146	0.2	
Rs.	2,000 to Rs.	3,000	-	-	-	-	-	8,425	20.8	1	..	
Rs.	3,000 to Rs.	4,000	-	-	-	-	-	11,411	39.9	-	-	
Rs.	4,000 to Rs.	5,000	-	-	-	-	-	10,628	47.8	5	..	
Rs.	5,000 to Rs.	6,000	-	-	-	-	-	16,027	87.2	-	-	
Rs.	6,000 to Rs.	7,000	-	-	-	-	-	14,385	92.7	8	0.1	
Rs.	7,000 to Rs.	8,000	-	-	-	-	-	18,272	137.9	1	..	
Rs.	8,000 to Rs.	9,000	-	-	-	-	-	29,335	252.1	-	-	
Rs.	9,000 to Rs.	10,000	-	-	-	-	3	..	19,719	189.5	-	-
Rs.	10,000 to Rs.	20,000	145	2.2	410	4.7	12	0.2	239,888	3,572.0	606	8.8
Rs.	20,000 to Rs.	25,000	-	-	-	-	10	0.2	98,115	2,193.1	-	-
Rs.	25,000 to Rs.	30,000	6	0.2	7	0.2	-	-	69,794	1,926.2	-	-
Rs.	30,000 to Rs.	40,000	-	-	9	0.3	12	0.4	90,366	3,163.8	-	-
Rs.	40,000 to Rs.	50,000	13	0.6	-	-	-	-	72,662	3,275.6	-	-
Rs.	50,000 to Rs.	60,000	-	-	-	-	-	-	73,281	4,024.1	-	-
Rs.	60,000 to Rs.	70,000	-	-	-	-	10	0.6	48,984	3,195.9	11	0.8
Rs.	70,000 to Rs.	80,000	30	2.2	-	-	1	0.1	50,181	3,679.3	-	-
Rs.	80,000 to Rs.	90,000	3	0.2	-	-	8	0.7	34,722	2,916.1	-	-
Rs.	90,000 to Rs.	100,000	95	9.1	-	-	22	2.2	29,684	2,806.8	-	-
Rs.	100,000 to Rs.	200,000	19	2.5	2	0.2	55	7.3	107,795	14,859.1	1	0.1
Rs.	200,000 to Rs.	300,000	7	1.6	10	2.5	52	11.8	41,245	10,198.6	4	0.9
Rs.	300,000 to Rs.	400,000	1	0.3	-	-	30	9.3	20,318	6,904.7	-	-
Rs.	400,000 to Rs.	500,000	1	0.5	-	-	5	2.3	10,287	4,582.5	-	-
Rs.	500,000 to Rs.	600,000	1	0.5	1	0.5	6	3.3	3,575	1,971.9	1	0.5
Rs.	600,000 to Rs.	700,000	-	-	-	-	67	45.0	3,826	2,503.8	-	-
Rs.	700,000 to Rs.	800,000	-	-	-	-	11	8.3	2,860	2,155.7	-	-
Rs.	800,000 to Rs.	900,000	-	-	-	-	5	4.2	1,990	1,721.3	2	1.8
Rs.	900,000 to Rs.	1,000,000	-	-	-	-	14	13.6	3,272	3,113.5	1	0.9
Rs.	1,000,000 to Rs.	2,000,000	3	3.7	3	3.0	180	272.4	13,105	19,165.2	15	16.7
Rs.	2,000,000 to Rs.	3,000,000	2	5.2	2	4.9	84	203.3	6,589	16,145.2	1	3.0
Rs.	3,000,000 to Rs.	4,000,000	1	3.4	1	3.0	38	135.3	2,611	9,023.8	-	-
Rs.	4,000,000 to Rs.	5,000,000	2	9.5	4	17.6	40	181.6	2,075	9,268.3	-	-
Rs.	5,000,000 to Rs.	6,000,000	-	-	1	5.9	68	362.7	1,825	9,882.7	-	-
Rs.	6,000,000 to Rs.	7,000,000	-	-	-	-	47	297.7	1,231	8,003.7	2	13.8
Rs.	7,000,000 to Rs.	8,000,000	-	-	-	-	25	185.5	745	5,596.3	-	-
Rs.	8,000,000 to Rs.	9,000,000	-	-	-	-	45	383.2	771	6,560.8	-	-
Rs.	9,000,000 to Rs.	10,000,000	-	-	1	9.0	15	141.4	625	5,907.6	1	9.6
Rs.	10,000,000 and over		-	-	165	43,187.8	325	26,139.8	6,575	195,130.0	12	636.4
TOTAL			329	41.8	616	43,239.6	1,190	28,412.4	1,191,154	364,359.0	819	693.7

**BY SIZE OF ACCOUNT AND BORROWER
BANKS
31st December, 1995**

(Million Rupees)

CONSTITUENTS									
Personal		Others		Sub Total		TOTAL		SIZE OF ACCOUNT	
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount		
11,711	6.6	632.4	3.4	28,317	33.2	28,317	33.2	Less than`	Rs. 1,000
4,849	6.0	29	..	12,726	16.1	12,726	16.1	Rs.	1,000 to Rs. 1,500
5,827	9.9	882	1.5	12,681	21.8	12,681	21.8	Rs.	1,500 to Rs. 2,000
7,457	18.7	2,705	7.9	18,588	47.3	18,588	47.3	Rs.	2,000 to Rs. 3,000
9,908	33.6	728	2.3	22,047	75.8	22,047	75.8	Rs.	3,000 to Rs. 4,000
5,578	24.5	637	2.7	16,848	75.0	16,848	75.0	Rs.	4,000 to Rs. 5,000
4,413	24.3	260	1.4	20,700	113.0	20,700	113.0	Rs.	5,000 to Rs. 6,000
4,926	31.6	175	1.1	19,494	125.4	19,494	125.4	Rs.	6,000 to Rs. 7,000
10,396	78.5	392	3.0	29,061	219.4	29,061	219.4	Rs.	7,000 to Rs. 8,000
7,456	62.6	838	7.3	37,629	322.0	37,629	322.0	Rs.	8,000 to Rs. 9,000
6,193	58.8	2,304	21.8	28,219	270.1	28,219	270.1	Rs.	9,000 to Rs. 10,000
106,062	1,565.3	7,347	108.0	354,325	5,259.0	354,470	5,261.2	Rs.	10,000 to Rs. 20,000
26,149	581.3	2,021	45.8	126,295	2,820.4	126,295	2,820.4	Rs.	20,000 to Rs. 25,000
49,253	1,348.8	1,511	42.3	120,565	3,317.4	120,571	3,317.6	Rs.	25,000 to Rs. 30,000
42,693	1,442.9	677	24.2	133,757	4,631.6	133,757	4,631.6	Rs.	30,000 to Rs. 40,000
20,446	930.6	729	32.1	93,837	4,238.3	93,850	4,238.9	Rs.	40,000 to Rs. 50,000
33,625	1,827.0	314	17.1	107,220	5,868.2	107,220	5,868.2	Rs.	50,000 to Rs. 60,000
23,196	1,527.8	1,185	79.9	73,375	4,804.2	73,375	4,804.2	Rs.	60,000 to Rs. 70,000
19,100	1,416.5	133	9.8	69,426	5,106.5	69,456	5,108.7	Rs.	70,000 to Rs. 80,000
18,635	1,584.9	287	24.5	53,652	4,526.2	53,655	4,526.4	Rs.	80,000 to Rs. 90,000
10,284	968.8	339	31.9	40,329	3,809.7	40,424	3,818.8	Rs.	90,000 to Rs. 100,000
53,005	7,519.0	2,383	317.0	163,241	22,702.7	163,260	22,705.3	Rs.	100,000 to Rs. 200,000
35,321	8,794.0	392	96.4	77,024	19,104.1	77,031	19,105.8	Rs.	200,000 to Rs. 300,000
17,853	6,057.1	132	46.8	38,333	13,017.9	38,334	13,018.2	Rs.	300,000 to Rs. 400,000
4,871	2,142.4	94	41.0	15,257	6,768.3	15,258	6,768.3	Rs.	400,000 to Rs. 500,000
5,241	2,764.3	56	30.4	8,880	4,770.9	8,881	4,771.5	Rs.	500,000 to Rs. 600,000
3,403	2,142.0	58	38.1	7,354	4,728.9	7,354	4,728.9	Rs.	600,000 to Rs. 700,000
1,465	1,103.0	23	17.1	4,359	3,284.1	4,359	3,284.1	Rs.	700,000 to Rs. 800,000
833	684.7	25	21.5	2,855	2,433.4	2,855	2,433.4	Rs.	800,000 to Rs. 900,000
2,124	2,056.6	55	52.0	5,466	5,236.6	5,466	5,236.6	Rs.	900,000 to Rs. 1,000,000
3,017	3,995.6	57	77.2	16,377	23,529.9	16,380	23,533.7	Rs.	1,000,000 to Rs. 2,000,000
960	2,299.1	17	38.5	7,653	18,693.9	7,655	18,699.1	Rs.	2,000,000 to Rs. 3,000,000
506	1,715.8	1	3.2	3,157	10,881.2	3,158	10,884.5	Rs.	3,000,000 to Rs. 4,000,000
554	2,584.8	2	9.3	2,675	12,061.5	2,677	12,070.9	Rs.	4,000,000 to Rs. 5,000,000
-	-	-	-	1,894	10,251.3	1,894	10,251.3	Rs.	5,000,000 to Rs. 6,000,000
-	-	-	-	1,280	8,315.2	1,280	8,315.2	Rs.	6,000,000 to Rs. 7,000,000
-	-	-	-	770	5,781.9	770	5,781.9	Rs.	7,000,000 to Rs. 8,000,000
-	-	-	-	816	6,944.0	816	6,944.0	Rs.	8,000,000 to Rs. 9,000,000
-	-	-	-	642	6,067.6	642	6,067.6	Rs.	9,000,000 to Rs. 10,000,000
-	-	-	-	7,077	265,094.1	7,077	265,094.1	Rs.	10,000,000 and over
557,310	57,406.9	33,112	1,256.4	1,784,201	495,368.1	1,784,530	495,409.9	TOTAL	

5.11 CLASSIFICATION OF SCHEDULED BANKS'

ECONOMIC GROUP	End Jun.				End Dec.	
	1994		1995		1995	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
A. FOREIGN CONSTITUENTS:	42	70.3	56	143.1	86	21.1
I. Business	-	-	10	0.2	18	8.7
II. Other Foreign Constituents	42	70.3	46	143.0	68	12.4
B. DOMESTIC CONSTITUENTS:	42,286	41,552.2	43,759	45,924.2	33,701	44,688.9
I. Government	367	89.8	877	219.2	118	11.6
II. Public Sector Enterprises:	3,262	3,924.7	3,766	2,715.2	2,398	2,747.8
1. Agriculture, Forestry, Hunting & Fishing	47	13.9	159	40.7	18	10.6
2. Mining & Quarrying	25	2.5	786	149.3	227	52.3
3. Manufacturing	19	1.3	60	147.0	10	3.8
4. Construction	286	767.0	355	22.5	40	5.6
5. Electricity, Gas, Water & Sanitary Services	-	-	129	195.3	18	0.4
6. Commerce:	1,962	2,314.1	1,677	1,450.1	1,502	1,748.7
(a) Export Bills	1,209	1,996.1	651	821.4	524	726.6
(i) Cotton Raw	257	488.1	10	23.7	39	137.4
(ii) Rice	102	63.8	64	16.5	28	35.9
(iii) Cotton Textiles (Local)	194	264.4	38	42.1	79	117.3
(iv) Cement & Cement Products	-	-	101	48.6	4	8.9
(v) Petroleum & Petroleum Products	241	668.5	9	254.9	5	175.6
(vi) Machinery & Transport Equipment	25	62.5	24	51.5	25	51.5
(vii) Other Export Bills	390	448.7	405	384.2	344	199.9
(b) Import Bills Payable in Pakistan	204	145.4	457	155.6	272	310.1
(c) Inland Bills (to include local bills)	534	172.2	534	472.6	666	711.5
(d) Non-Bank Financial Institutions	15	0.4	35	0.5	40	0.5
7. Transport, Storage and Communication	-	-	-	-	3	..
8. Services	78	2.9	130	68.2	80	246.8
9. Other Public Sector Enterprises	845	823.2	470	642.1	500	679.7
III. Private Sector (Business)	29,808	35,456.7	29,117	41,127.3	26,070	40,690.5
1. Agriculture, Forestry, Hunting & Fishing:	895	1,646.8	1,487	1,797.5	903	1,388.3
(a) Primary Products:	650	1,441.4	1,067	1,506.9	647	1,131.4
(i) Cotton	299	1,002.6	787	1,311.9	432	860.3
(ii) Rice	205	88.8	174	99.1	133	239.3
(iii) Sugarcane	-	-	4	-	3	0.3
(iv) Tobacco	-	-	-	-	2	3.2
(v) Other Primary Products	146	349.9	102	95.9	77	28.3
(b) Other Agriculture, Forestry, Hunting & Fishing	245	205.4	420	290.6	256	256.9

BILLS PURCHASED AND DISCOUNTED

(Million Rupees)

ECONOMIC GROUP	End Jun.				End Dec.	
	1994		1995		1995	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
2. Mining and Quarrying	5	1.3	62	200.0	53	19.8
3. Manufacturing	609	793.1	560	1,237.8	574	959.9
4. Construction	28	2.8	29	4.6	26	17.1
5. Electricity, Gas, Water & Sanitary Services	7	0.2	126	32.5	117	166.9
6. Commerce:	27,051	32,512.7	25,699	36,999.9	23,140	36,930.7
(a) Export Bills--Traditional Exports	9,120	14,050.4	9,911	17,984.5	10,727	18,494.7
(i) Wool & Goat Hair	333	305.6	360	216.9	384	653.1
(ii) Hides & Skins	550	1,538.2	548	1,600.2	830	1,517.0
(iii) Cotton Textiles (Local)	3,737	5,820.0	5,154	8,827.2	5,254	9,124.2
(iv) Cotton Yarn (Local)	3,405	5,638.8	2,906	6,483.1	3,337	6,280.7
(v) Sports Goods	660	340.5	613	352.3	534	332.9
(vi) Surgical Instruments	435	407.4	330	504.7	388	586.8
(b) Export Bills--Non-Traditional Exports	7,306	9,338.9	10,576	10,624.0	6,645	10,811.8
(i) Brassware & Handicrafts	343	452.9	313	393.3	205	1,333.9
(ii) Carpets & Rugs	488	427.1	397	597.7	296	319.2
(iii) Footwear & Leather Goods	689	822.6	545	899.3	756	1,078.1
(iv) Handloom Products, Towels & Hosiery	838	812.2	783	734.1	712	927.6
(v) Readymade Garments	2,112	2,561.2	1,899	2,844.5	1,585	2,466.5
(vi) Electrical Goods (Cable & Wire RA)	92	151.7	43	64.9	136	142.6
(vii) Other Export Bills	2,744	4,111.3	6,596	5,090.2	2,955	4,544.0
(c) Import Bills Payable in Pakistan	7,657	5,655.0	2,459	5,060.7	3,365	4,540.6
(d) Inland Bills (to include Local Bills)	2,399	2,936.0	2,136	2,755.9	1,868	2,500.4
(e) Non-Bank Financial Institutions	49	258.4	95	232.1	57	134.5
(f) Other Foreign Bills (Clean outward)	520	274.0	522	342.8	478	448.6
7. Transport, Storage & Communication	49	143.9	10	139.7	10	155.8
8. Services	108	8.5	138	14.9	213	19.7
9. Other Private (Business)	1,056	347.5	1,006	700.4	1,034	1,032.5
IV. Trust Funds and Non-Profit Organisations	64	7.4	227	12.5	225	1.7
V. Others	8,785	2,073.5	9,772	1,850.0	4,890	1,237.3
TOTAL	42,328	41,622.5	43,815	46,067.3	33,787	44,710.0

5.12 CLASSIFICATION OF SCHEDULED BANKS'

(Book

SECURITY / SHARE	End Jun.		End Dec.
	1994	1995	1995
A. FEDERAL GOVERNMENT SECURITIES	112,663.1	116,813.7	133,063.7
11.00% 1994	300.8	-	-
10.50% 1995	248.6	24.4	-
10.50% 1997	5,333.3	4,955.4	5,151.8
11.25% 1998	351.8	343.8	1,250.8
11.50% 1999	1,185.0	1,184.9	1,270.3
11.50% 2000	5,498.5	4,655.4	4,643.3
1175% 2001	4,433.3	4,100.0	5,208.8
11.75% 2002	1,454.1	1,728.2	1,417.3
 National Prize Bonds	 30.1	 272.4	 970.8
 Defence Savings Certificates / National Savings Schemes	 110.1	 22.2	 24.8
 Compensation Bonds	 24,324.7	 26,453.4	 26,865.5
 Federal Investment Bonds	 69,308.4	 72,919.3	 86,089.1
 Unclassified	 84.8	 154.3	 171.2
 B. TREASURY BILLS	 87,993.4	 92,292.1	 100,355.2
 C. PROVINCIAL GOVERNMENTS SECURITIES	 3,233.7	 3,257.2	 3,218.3
 I. BALOCHISTAN	 922.8	 827.1	 799.6
10.75% 1996	502.6	519.6	490.3
10.75% 1997	16.4	18.2	16.2
10.50% 1998	93.8	93.8	69.8
10.50% 1999	56.5	51.5	49.5
15.00% 2001	34.2	34.2	32.2
15.50% 2002	47.2	42.2	45.2
16.00% 2003	172.1	67.6	96.4

INVESTMENT IN SECURITIES AND SHARES

Value)

(Million Rupees)

SECURITY / SHARE	End Jun.		End Dec.
	1994	1995	1995
II. N.W.F.P.	186.4	191.5	207.5
10.75% 1996	6.2	6.2	6.2
10.75% 1997	25.3	25.3	23.3
10.50% 1998	97.0	97.0	117.0
10.50% 1999	58.0	63.0	61.0
III. Punjab	367.2	375.3	371.4
10.75% 1996	16.5	16.5	20.7
10.75% 1997	98.5	98.5	98.5
10.50% 1998	29.2	29.2	29.2
10.50% 1999	72.4	72.4	72.4
15.00% 2001	45.6	53.6	45.5
16.00% 2004	105.0	105.1	105.1
IV. Sindh	1,348.0	1,344.0	1,417.7
10.75% 1996	991.0	906.3	989.4
10.75% 1997	31.3	31.3	31.3
10.50% 1999	48.0	48.0	48.0
15.00% 2001	28.9	28.9	28.5
15.50% 2002	132.5	132.5	128.5
16.00% 2003	116.3	197.0	192.0
V. Unclassified	409.3	519.3	422.1
D. FOREIGN SECURITIES SHARES	2.6	2.6	1.9
E. OTHERS	27,194.4	33,756.6	32,155.2
1. Shares:	5,152.8	7,357.2	7,957.8
(i) Financial Institutions	399.7	613.4	1,387.0
(ii) Other Public Sector Enterprises	730.3	1,186.1	1,496.7
(iii) Private Sector	4,022.8	5,557.7	5,074.1
2. Debentures:	1,971.6	1,768.6	1,508.5
(i) Financial Institutions	105.0	100.0	100.0
(ii) Other Public Sector Enterprises	769.7	491.2	394.6
(iii) Private Sector	940.9	1,021.4	759.9
(iv) Others	156.0	156.0	254.0
3. National Investment (Unit) Trust	2,881.8	5,878.7	6,346.3
4. Participation Terms Certificates	16,821.0	15,437.9	14,899.8
5. Modaraba Certificates	24.0	109.6	110.6
6. Mutual Fund	83.4	134.7	480.1
7. Others	259.8	3,069.9	852.1
TOTAL	231,087.2	246,122.5	268,794.3

5.13 SCHEDULED BANKS' DEPOSITS

END OF PERIOD	Current Deposits	Call Deposits	Other Deposit Accounts	Saving Deposits	F I X E D		
					Less than 6 months	For 6 months and over but less than 1 year	For 1 year and over but less than 2 years
June, 1991							
No. of Accounts	3,380,208	180,749	287,703	19,733,516	214,321	90,165	112,329
Amount	71,925.3	4,275.1	11,065.6	143,744.6	45,086.5	10,256.4	19,760.7
June, 1992							
No. of Accounts	4,388,106	239,583	307,549	25,799,278	362,498	95,725	117,413
Amount	88,984.2	4,790.1	12,663.9	173,195.3	56,356.1	16,298.7	27,129.9
June, 1993							
No. of Accounts	4,019,009	201,541	290,860	22,132,296	277,418	88,106	114,853
Amount	102,737.2	6,487.8	18,289.2	209,984.9	63,839.0	13,881.9	27,687.4
June, 1994							
No. of Accounts	4,167,522	255,126	327,185	22,347,623	355,979	119,017	135,044
Amount	118,080.6	7,626.5	20,067.1	253,746.6	73,129.3	21,888.5	33,101.6
June, 1995							
No. of Accounts	4,691,803	260,530	299,806	23,695,027	349,852	101,450	159,152
Amount	150,571.2	13,762.0	17,997.2	292,102.2	90,785.6	32,680.1	41,309.3
December, 1995							
No. of Accounts	4,766,816	317,501	410,817	23,773,947	572,385	135,625	194,991
Amount	150,889.7	16,496.6	22,566.2	310,515.1	109,056.1	34,877.1	42,028.7

DISTRIBUTED BY TYPE

(Million Rupees)

D E P O S I T S						END OF PERIOD
For 2 years and over but less than 3 years	For 3 years and over but less than 4 years	For 4 years and over but less than 5 years	For 5 years and over	Total	ALL DEPOSITS	
70,639	112,213	50,520	335,498	985,685	24,567,861	June, 1991
9,917.4	6,635.4	4,994.1	16,225.3	112,875.7	343,886.3	No. of Accounts Amount
68,462	147,433	39,096	399,148	1,229,775	31,964,291	June, 1992
5,784.8	7,968.2	4,040.0	19,490.9	137,068.6	416,702.1	No. of Accounts Amount
82,836	110,847	29,218	308,066	1,011,344	27,655,050	June, 1993
6,793.9	11,688.6	2,583.7	26,824.3	153,298.7	490,797.9	No. of Accounts Amount
93,284	158,367	67,445	386,985	1,316,121	28,413,577	June, 1994
11,296.7	14,659.7	5,006.6	34,518.5	193,601.0	593,121.9	No. of Accounts Amount
80,739	153,655	47,357	392,955	1,285,160	30,232,326	June, 1995
8,505.5	16,426.1	4,935.3	43,579.5	238,221.4	712,654.0	No. of Accounts Amount
105,596	273,914	75,245	458,899	1,816,655	31,085,736	December, 1995
10,248.5	18,254.4	4,936.8	45,426.8	264,828.5	765,296.2	No. of Accounts Amount

5.14 SCHEDULED BANKS' DEPOSITS DISTRIBUTED

CATEGORY OF DEPOSIT HOLDER	End Jun.				
	1991	1992	1993	1994	1995
A. FOREIGN CONSTITUENTS:	59,193.5	87,450.6	99,275.7	118,731.2	131,405.1
I. Official	2,122.1	1,861.1	3,446.8	3,855.4	5,535.6
II. Business	38,741.1	55,413.8	31,508.6	40,116.7	49,111.9
III. Personal	18,330.3	30,175.2	64,320.2	74,759.1	76,757.6
B. DOMESTIC CONSTITUENTS:	234,692.8	329,251.5	391,522.2	474,390.7	581,248.9
I. Government:	17,597.0	17,188.0	20,821.7	21,614.1	41,897.3
1. Federal Government	12,060.0	11,962.0	13,748.3	14,095.5	27,793.0
2. Provincial Governments	4,269.2	3,895.9	4,458.4	4,658.4	11,175.5
3. Local Bodies	1,267.8	1,330.1	2,615.1	2,860.2	2,928.9
II. Public Sector Enterprises:	22,870.5	26,426.5	33,100.9	31,750.5	31,430.3
1. Agriculture, Forestry, Hunting and Fishing	692.4	714.5	308.4	498.5	1,410.6
2. Mining and Quarrying	537.6	678.6	643.4	777.1	1,404.0
3. Manufacturing :	4,933.9	5,228.9	6,462.5	5,066.8	6,646.7
(i) Food Industries	1,146.1	1,298.4	161.5	451.4	370.1
(ii) Textiles	212.5	157.1	211.8	180.2	105.4
(iii) Printing, Publishing & Allied Industries	84.4	95.2	213.1	270.6	418.3
(iv) Chemicals & Chemical Products	206.5	133.0	1,607.7	509.0	526.0
(v) Products of Petroleum & Coal	808.9	821.0	2,235.3	1,523.1	1,763.5
(vi) Cement	982.7	704.4	455.8	305.7	473.5
(vii) Basic Metal Industries & Manufacture of Metal Products	339.6	646.7	484.2	891.8	1,386.3
(viii) Machinery & Transport Equipments	770.3	876.7	737.4	462.0	651.8
(ix) Miscellaneous Industries	382.9	496.4	355.5	473.0	951.4
4. Construction	202.2	352.7	389.2	164.4	221.5
5. Electricity, Gas and Sanitary Services	4,098.5	4,196.5	8,402.9	7,004.8	5,681.6
6. Commerce:	3,701.9	4,476.5	8,625.6	8,548.4	7,450.7
(i) Wholesale and Retail Trade	290.7	634.1	318.5	503.3	414.4
(ii) Exports/Imports	687.2	636.2	260.5	424.1	345.8
(iii) Co-operative Banks (Excl. P.P.C.B.)	204.0	463.1	286.9	381.4	223.8
(iv) Insurance	233.1	244.9	452.1	2,236.1	2,827.8
(v) Non-Bank Financial Institutions	3,286.9	2,498.2	7,307.6	5,003.5	3,639.0
7. Transport, Storage and Communication	1,996.6	646.0	1,577.9	1,522.8	2,920.1
8. Services	1,650.2	2,124.2	1,668.0	1,625.2	693.7
9. Other Public Sector Enterprises	5,057.2	8,008.6	5,022.8	6,542.6	5,001.4

BY CATEGORY OF DEPOSIT HOLDER

(Million Rupees)

CATEGORY OF DEPOSIT HOLDER	End Jun.				
	1991	1992	1993	1994	1995
III. Private Sector (Business):	101,491.3	123,152.8	142,349.5	174,822.4	220,777.3
1. Agriculture, Forestry, Hunting and Fishing	14,380.4	18,525.0	16,363.7	24,914.8	28,274.3
2. Mining and Quarrying	1,597.6	1,778.2	905.2	1,366.1	1,027.3
3. Manufacturing:	6,126.5	7,611.7	9,018.1	13,436.2	15,460.1
(i) Food Industries	1,514.5	2,327.4	2,896.3	3,192.8	2,725.8
(ii) Textile--Cotton	759.0	1,032.6	1,324.9	2,392.1	2,325.3
(iii) Textile--Woollen	147.1	160.1	244.7	216.8	156.9
(iv) Textile--Art Silk	542.6	777.7	306.0	1,143.5	1,223.9
(v) Textile--Others	391.7	468.2	820.5	945.7	1,192.4
(vi) Chemicals & Chemical Products	335.6	627.5	625.0	1,035.3	1,500.9
(vii) Cement	37.9	149.4	330.0	1,108.8	964.0
(viii) Machinery & Transport Equipments	427.6	222.3	197.4	385.9	586.0
(ix) Miscellaneous Industries	1,970.4	1,846.5	2,273.3	3,015.1	4,784.9
4. Construction	2,363.0	2,780.6	3,429.7	4,173.1	4,445.0
5. Electricity, Gas, Water and Sanitary Services	2,201.1	2,685.0	1,192.4	2,018.6	2,752.8
6. Commerce:	21,768.2	27,432.5	28,037.1	34,344.6	46,500.2
(i) Wholesale and Retail Trade	15,054.1	18,885.5	19,951.9	24,150.3	32,524.7
(ii) Exports/Imports	3,585.0	4,578.6	4,323.4	4,399.4	5,117.4
(iii) Non-Scheduled Banks and Other Financial Institutions	1,778.8	1,666.7	1,014.9	2,510.5	5,649.5
(iv) Co-operative Societies	917.7	1,041.1	746.8	1,068.0	1,250.0
(v) Insurance	609.5	766.6	1,732.9	1,092.8	1,260.9
(vi) Real Estate Dealers [Excl. item 4]	323.1	494.0	247.2	1,123.7	697.6
7. Transport, Storage and Communication	1,731.5	2,472.5	3,450.0	3,699.3	4,363.7
8. Services	4,046.3	3,830.0	5,270.3	7,331.7	8,700.2
9. Other Private Business	47,276.6	56,037.3	74,682.9	83,537.9	109,253.6
IV. Trust Funds and Non-Profit Organisations	5,947.4	7,126.4	8,955.2	14,601.2	14,228.3
V. Personal	135,590.6	154,487.7	183,904.9	229,035.9	270,797.3
VI. Other activities not adequately described	1,196.1	870.1	2,390.0	2,566.6	2,118.5
TOTAL	343,886.3	416,702.1	490,797.9	593,121.9	712,654.0

(Contd.)

5.14 SCHEDULED BANKS' DEPOSITS DISTRIBUTED

CATEGORY OF DEPOSIT HOLDER	E n d December					
	1995					
	All Deposits	Current Deposits	Call Deposits	Other Deposit Accounts	Saving Deposits	Fixed Deposits
A. FOREIGN CONSTITUENTS:	140,222.8	11,814.3	7,680.8	2,628.1	42,121.7	75,977.8
I. Official	6,957.9	1,114.6	146.6	45.1	2,670.7	2,980.8
II. Business	62,671.2	8,119.4	5,895.1	264.8	5,114.5	43,277.4
III. Personal	70,593.6	2,580.3	1,639.2	2,318.2	34,336.5	29,719.5
B. DOMESTIC CONSTITUENTS:	625,073.5	139,075.4	8,815.8	19,938.1	268,393.4	188,850.8
I. Government:	34,368.5	12,819.7	204.9	661.8	5,424.8	15,257.4
1. Federal Government	18,907.6	9,083.1	86.1	284.3	2,261.8	7,192.3
2. Provincial Governments	12,340.9	2,938.0	85.8	189.1	2,486.6	6,641.4
3. Local Bodies	3,120.0	798.6	33.0	188.4	676.3	1,423.6
II. Public Sector Enterprises:	35,193.1	8,928.6	645.8	2,485.0	6,607.2	16,526.5
1. Agriculture, Forestry, Hunting and Fishing	1,586.2	292.5	38.7	0.2	234.8	1,020.0
2. Mining and Quarrying	2,721.3	242.0	2.5	0.8	106.4	2,369.6
3. Manufacturing :	7,769.6	1,799.4	27.6	43.4	1,871.1	4,028.1
(i) Food Industries	555.1	275.7	0.9	0.5	139.7	138.3
(ii) Textiles	197.7	116.2	2.0	0.2	29.3	50.0
(iii) Printing, Publishing & Allied Industries	481.6	56.1	-	-	0.3	425.3
(iv) Chemicals & Chemical Products	721.8	94.9	3.0	..	18.7	605.3
(v) Products of Petroleum & Coal	2,054.2	511.6	4.2	4.8	1,126.3	407.1
(vi) Cement	506.8	34.4	2.0	2.9	16.3	451.1
(vii) Basic Metal Industries & Manufacture of Metal Products	1,167.6	182.5	-	28.0	0.1	957.0
(viii) Machinery & Transport Equipments	669.7	43.1	-	-	3.0	623.5
(ix) Miscellaneous Industries	1,415.2	484.8	15.6	6.9	537.4	370.4
4. Construction	279.8	162.1	50.0	0.4	26.4	40.8
5. Electricity, Gas and Sanitary Services	5,393.9	1,370.5	3.0	1,628.6	567.4	1,824.4
6. Commerce:	7,891.3	2,230.1	476.1	558.4	1,752.0	2,874.7
(i) Wholesale and Retail Trade	736.8	523.6	6.7	0.1	59.8	146.6
(ii) Exports/Imports	376.4	144.3	1.0	13.8	183.4	33.9
(iii) Co-operative Banks (Excl. P.P.C.B.)	275.2	143.5	-	0.6	124.9	6.1
(iv) Insurance	2,915.2	301.4	0.5	534.9	796.9	1,281.5
(v) Non-Bank Financial Institutions	3,587.7	1,117.1	468.0	8.9	587.1	1,406.6
7. Transport, Storage and Communication	2,983.2	959.8	6.9	2.6	181.9	1,832.0
8. Services	1,309.7	521.2	0.6	43.9	380.4	363.7
9. Other Public Sector Enterprises	5,258.1	1,351.1	40.3	206.8	1,486.7	2,173.1

BY CATEGORY OF DEPOSIT HOLDER

(Concl.d.)

(Million Rupees)

CATEGORY OF DEPOSIT HOLDER	E n d December					
	1995					
	All Deposits	Current Deposits	Call Deposits	Other Deposit Accounts	Saving Deposits	Fixed Deposits
III. Private Sector (Business):	240,171.1	92,211.6	5,413.8	11,713.7	62,252.7	68,579.3
1. Agriculture, Forestry, Hunting and Fishing	26,730.5	5,059.6	431.3	686.8	12,728.2	7,824.6
2. Mining and Quarrying	11,795.7	270.5	12.8	63.8	247.3	11,201.3
3. Manufacturing:	17,734.8	7,533.4	286.1	1,127.7	2,494.8	6,292.7
(i) Food Industries	3,775.9	1,873.9	122.6	58.9	373.5	1,347.0
(ii) Textile--Cotton	2,815.6	885.0	14.0	739.4	336.4	840.7
(iii) Textile--Woollen	171.2	144.5	10.8	1.3	14.7	-
(iv) Textile--Art Silk	1,277.1	427.1	25.6	43.5	251.2	529.8
(v) Textile--Others	1,108.4	552.6	2.4	29.0	216.9	307.5
(vi) Chemicals & Chemical Products	1,685.6	640.2	16.5	87.9	172.9	768.1
(vii) Cement	1,020.5	299.8	4.8	41.0	533.5	140.7
(viii) Machinery & Transport Equipments	1,087.4	251.5	14.3	33.9	56.0	731.7
(ix) Miscellaneous Industries	4,793.1	2,458.9	75.1	92.2	539.7	1,627.2
4. Construction	4,616.7	2,847.7	307.2	105.9	1,009.2	346.7
5. Electricity, Gas, Water and Sanitary Services	2,930.9	785.6	63.8	48.4	592.8	1,440.4
6. Commerce:	48,102.6	27,385.9	787.5	2,634.6	7,631.0	9,662.6
(i) Wholesale and Retail Trade	32,999.1	20,506.1	519.8	1,515.0	5,634.8	4,823.5
(ii) Exports/Imports	5,904.7	3,580.6	176.7	694.5	533.3	919.7
(iii) Non-Scheduled Banks and Other Financial Institutions	5,802.1	2,080.6	60.8	232.7	851.5	2,576.4
(iv) Co-operative Societies	1,294.0	346.1	4.6	168.4	376.8	398.2
(v) Insurance	1,323.0	590.2	25.6	1.7	37.8	667.6
(vi) Real Estate Dealers [Excl. item 4]	779.6	282.4	-	22.3	196.8	278.1
7. Transport, Storage and Communication	5,007.0	1,311.7	134.5	96.6	1,717.9	1,746.3
8. Services	8,610.3	3,033.2	251.6	494.9	2,490.8	2,339.8
9. Other Private Business	114,642.6	43,984.0	3,138.9	6,455.1	33,340.7	27,723.9
IV. Trust Funds and Non-Profit Organisations	14,161.4	3,181.3	329.9	153.9	5,593.4	4,903.0
V. Personal	297,616.3	21,586.6	1,968.7	4,619.8	187,955.9	81,485.2
VI. Other activities not adequately described	3,563.1	347.7	252.7	303.9	559.5	2,099.4
TOTAL	765,296.2	150,889.7	16,496.6	22,566.2	310,515.1	264,828.5

5.15 SCHEDULED BANKS' DEPOSITS

SIZE OF ACCOUNT			E n d J u n .					
			1991		1992		1993	
			No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Less than`	Rs.	1,000	1,462,301	486.8	1,528,585	936.3	1,154,396	654.7
Rs.	1,000 to Rs.	1,500	825,571	1,038.8	1,276,922	1,725.6	780,673	974.7
Rs.	1,500 to Rs.	2,000	993,134	1,753.2	1,678,205	3,134.7	890,796	1,552.9
Rs.	2,000 to Rs.	3,000	3,013,677	7,614.0	4,935,166	13,225.5	2,628,743	6,652.8
Rs.	3,000 to Rs.	4,000	3,157,176	11,111.0	5,031,053	18,763.5	3,245,246	11,356.4
Rs.	4,000 to Rs.	5,000	3,066,576	13,790.0	3,986,781	19,035.6	3,036,915	13,656.0
Rs.	5,000 to Rs.	6,000	2,225,903	12,371.7	2,946,068	17,297.6	2,777,780	15,259.7
Rs.	6,000 to Rs.	7,000	1,819,397	11,772.9	2,281,506	15,760.5	2,239,379	14,457.6
Rs.	7,000 to Rs.	8,000	1,444,303	10,814.7	1,55,673	12,284.9	1,871,132	14,027.1
Rs.	8,000 to Rs.	9,000	1,107,827	9,384.8	1,165,308	10,475.7	1,355,570	11,470.4
Rs.	9,000 to Rs.	10,000	879,058	8,347.2	916,912	9,177.0	1,173,337	11,134.4
Rs.	10,000 to Rs.	20,000	2,760,253	37,503.3	2,828,903	41,974.4	4,028,406	54,340.5
Rs.	20,000 to Rs.	25,000	415,179	9,222.2	397,495	9,451.6	584,195	12,952.5
Rs.	25,000 to Rs.	30,000	225,216	6,941.0	241,797	7,078.4	278,214	7,601.7
Rs.	30,000 to Rs.	40,000	302,069	10,400.0	300,396	10,966.6	413,326	14,134.3
Rs.	40,000 to Rs.	50,000	163,479	7,256.2	175,338	8,316.6	206,022	9,259.6
Rs.	50,000 to Rs.	60,000	99,725	5,425.5	161,462	9,206.7	152,234	8,356.0
Rs.	60,000 to Rs.	70,000	75,305	4,845.5	98,088	6,672.0	106,057	6,860.2
Rs.	70,000 to Rs.	80,000	64,298	4,773.9	80,826	6,235.1	91,045	6,794.2
Rs.	80,000 to Rs.	90,000	41,646	3,515.1	53,698	4,689.7	59,311	5,016.7
Rs.	90,000 to Rs.	100,000	35,673	3,367.3	35,636	3,531.0	47,058	4,450.5
Rs.	100,000 to Rs.	200,000	180,233	24,890.8	167,160	24,414.3	298,970	40,606.4
Rs.	200,000 to Rs.	300,000	53,109	12,872.0	37,853	9,375.0	87,047	20,778.5
Rs.	300,000 to Rs.	400,000	23,764	8,155.9	25,998	9,294.5	34,508	11,836.4
Rs.	400,000 to Rs.	500,000	11,684	5,245.3	15,855	7,021.3	28,560	12,587.5
Rs.	500,000 to Rs.	600,000	8,762	4,852.3	6,106	3,432.2	22,755	12,474.3
Rs.	600,000 to Rs.	700,000	6,759	4,420.8	4,550	3,090.8	10,199	6,592.1
Rs.	700,000 to Rs.	800,000	5,707	4,243.4	3,959	3,039.5	8,562	6,396.0
Rs.	800,000 to Rs.	900,000	4,335	3,664.9	3,677	3,190.1	6,067	5,136.4
Rs.	900,000 to Rs.	1,000,000	3,630	3,485.3	2,437	2,342.6	7,472	7,038.8
Rs.	1,000,000 to Rs.	2,000,000	11,477	15,402.1	12,228	16,988.8	17,846	23,658.9
Rs.	2,000,000 to Rs.	3,000,000	2,610	6,199.4	2,980	7,693.9	5,612	13,945.3
Rs.	3,000,000 to Rs.	4,000,000	2,303	8,148.2	1,473	5,375.5	2,185	2,347.9
Rs.	4,000,000 to Rs.	5,000,000	1,026	4,637.8	901	4,065.6	1,002	4,475.8
Rs.	5,000,000 to Rs.	6,000,000	574	3,115.5	808	4,583.4	898	4,848.5
Rs.	6,000,000 to Rs.	7,000,000	636	4,066.4	572	3,776.7	612	3,903.4
Rs.	7,000,000 to Rs.	8,000,000	168	1,233.3	151	1,187.4	604	4,506.5
Rs.	8,000,000 to Rs.	9,000,000	203	1,693.2	95	822.8	189	1,616.2
Rs.	9,000,000 to Rs.	10,000,000	155	1,482.2	462	4,569.4	292	2,775.0
Rs.	10,000,000 and over		955	44,342.3	1,208	72,490.3	1,835	69,311.5
TOTAL			24,567,861	343,886.3	31,964,291	416,702.1	27,655,050	490,797.9

DISTRIBUTED BY SIZE OF ACCOUNT

(Million Rupees)

1994		1995		1995		SIZE OF ACCOUNT			
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount				
970,141	535.8	853,754	482.4	1,056,295	605.6	Less than	Rs. 1,000		
646,013	801.7	524,593	656.1	503,568	632.0	Rs. 1,000	to Rs. 1,500		
778,077	1,382.3	588,515	1,035.3	584,198	1,025.8	Rs. 1,500	to Rs. 2,000		
2,429,726	6,104.0	2,032,426	5,118.7	1,965,343	4,949.0	Rs. 2,000	to Rs. 3,000		
2,931,334	10,300.2	2,475,954	8,723.7	2,625,195	9,267.5	Rs. 3,000	to Rs. 4,000		
3,274,343	14,776.6	5,819,356	12,711.8	2,910,344	13,198.6	Rs. 4,000	to Rs. 5,000		
2,855,600	15,640.1	3,125,560	17,146.7	3,056,551	16,879.4	Rs. 5,000	to Rs. 6,000		
2,407,491	15,621.8	2,547,557	16,537.0	2,549,525	16,519.5	Rs. 6,000	to Rs. 7,000		
1,977,918	14,819.2	2,295,870	17,270.6	2,241,641	16,811.3	Rs. 7,000	to Rs. 8,000		
1,456,833	12,349.8	1,989,084	16,890.4	1,932,811	16,387.4	Rs. 8,000	to Rs. 9,000		
1,225,069	11,624.9	1,545,034	14,620.2	1,654,280	15,709.4	Rs. 9,000	to Rs. 10,000		
4,471,595	60,303.1	5,616,037	76,111.7	5,920,385	80,392.4	Rs. 10,000	to Rs. 20,000		
635,019	14,069.4	876,832	19,504.0	938,463	20,853.6	Rs. 20,000	to Rs. 25,000		
386,577	10,506.1	493,357	13,519.6	486,403	13,276.6	Rs. 25,000	to Rs. 30,000		
465,674	16,123.2	556,347	19,145.7	624,125	21,420.9	Rs. 30,000	to Rs. 40,000		
239,952	10,719.8	312,864	13,967.9	370,018	16,486.7	Rs. 40,000	to Rs. 50,000		
181,664	9,903.7	227,299	12,491.8	228,543	12,513.6	Rs. 50,000	to Rs. 60,000		
123,735	8,050.5	170,285	11,020.3	180,743	11,715.9	Rs. 60,000	to Rs. 70,000		
103,731	7,772.3	144,204	10,736.4	161,497	12,095.4	Rs. 70,000	to Rs. 80,000		
80,967	6,863.4	105,986	8,957.8	115,961	9,842.3	Rs. 80,000	to Rs. 90,000		
67,570	6,400.2	91,243	8,669.9	99,747	9,459.9	Rs. 90,000	to Rs. 100,000		
385,704	53,225.2	480,931	65,909.4	488,156	67,546.4	Rs. 100,000	to Rs. 200,000		
125,122	30,788.6	136,957	33,166.4	155,086	36,998.5	Rs. 200,000	to Rs. 300,000		
51,604	17,857.2	63,327	22,198.1	61,812	21,385.9	Rs. 300,000	to Rs. 400,000		
33,485	14,880.7	41,318	18,178.1	38,794	17,221.8	Rs. 400,000	to Rs. 500,000		
25,759	13,874.6	22,606	12,331.7	28,638	15,590.3	Rs. 500,000	to Rs. 600,000		
12,420	8,079.3	15,384	9,944.7	22,249	14,493.7	Rs. 600,000	to Rs. 700,000		
8,979	6,717.9	13,031	9,660.5	13,319	9,952.5	Rs. 700,000	to Rs. 800,000		
9,378	8,018.1	9,717	8,230.0	9,264	7,894.2	Rs. 800,000	to Rs. 900,000		
8,065	7,646.0	6,591	6,222.3	7,967	7,578.2	Rs. 900,000	to Rs. 1,000,000		
28,000	37,745.9	33,094	43,303.1	35,706	46,705.1	Rs. 1,000,000	to Rs. 2,000,000		
6,846	16,294.8	5,984	14,243.4	7,726	18,364.4	Rs. 2,000,000	to Rs. 3,000,000		
2,672	9,305.3	2,963	10,286.3	2,798	9,821.1	Rs. 3,000,000	to Rs. 4,000,000		
1,744	7,704.4	2,059	9,239.8	2,479	11,093.0	Rs. 4,000,000	to Rs. 5,000,000		
635	3,433.7	1,161	6,271.4	1,004	5,540.8	Rs. 5,000,000	to Rs. 6,000,000		
518	3,378.9	787	5,052.4	740	4,790.4	Rs. 6,000,000	to Rs. 7,000,000		
373	2,765.4	509	3,795.5	743	5,550.9	Rs. 7,000,000	to Rs. 8,000,000		
761	6,410.2	720	6,179.2	585	4,942.7	Rs. 8,000,000	to Rs. 9,000,000		
314	3,021.4	383	3,594.1	331	3,159.3	Rs. 9,000,000	to Rs. 10,000,000		
2,169	87,306.2	2,647	119,529.4	2,703	136,624.3	Rs. 10,000,000	and over		
28,413,577	593,121.9	30,232,326	712,654.0	31,085,736	765,296.2	TOTAL			

5.16 SCHEDULED BANKS' DEPOSITS DISTRIBUTED ALL As on

SIZE OF ACCOUNT		D O M E S T I C									
		FOREIGN CONSTITUENTS		Government		Public Sector Enterprises		Private Sector (Business)		Trust Funds	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Less than`	Rs. 1,000	964	0.4	2,538	1.8	1,916	0.9	328,859	211.0	14,464	7.0
Rs. 1,000 to	Rs. 1,500	191	0.2	944	1.3	1,677	1.9	160,759	197.9	5,614	6.5
Rs. 1,500 to	Rs. 2,000	466	0.7	722	1.2	324	0.6	161,792	284.4	6,457	10.6
Rs. 2,000 to	Rs. 3,000	51	0.1	4,491	10.8	1,957	4.9	497,873	1,252.2	14,229	36.2
Rs. 3,000 to	Rs. 4,000	2,972	11.2	5,824	20.9	1,670	5.7	572,239	2,029.8	30,911	116.6
Rs. 4,000 to	Rs. 5,000	9,160	41.2	16,125	75.8	1,558	6.9	595,505	2,709.6	1,897	8.4
Rs. 5,000 to	Rs. 6,000	8,986	48.6	12,786	72.5	14,579	82.2	715,447	3,949.0	4,236	23.8
Rs. 6,000 to	Rs. 7,000	17,814	121.5	2,963	18.8	16,035	97.5	625,117	4,040.5	2,990	19.7
Rs. 7,000 to	Rs. 8,000	2,307	17.0	16,136	119.2	8,662	67.1	618,927	4,644.3	8,294	61.0
Rs. 8,000 to	Rs. 9,000	2,521	22.0	3,393	28.3	2,904	25.1	553,323	4,698.9	17,676	147.0
Rs. 9,000 to	Rs. 10,000	15	0.1	11,198	105.9	1,830	17.4	464,246	4,421.2	8,450	79.8
Rs. 10,000 to	Rs. 20,000	16,713	214.3	17,309	260.5	30,359	447.9	2,152,741	29,611.9	41,076	553.0
Rs. 20,000 to	Rs. 25,000	4,608	101.1	14,506	314.2	6,181	135.7	413,100	9,242.1	6,143	140.4
Rs. 25,000 to	Rs. 30,000	3,776	100.2	4,958	138.1	4,843	132.4	244,856	6,707.3	5,238	141.4
Rs. 30,000 to	Rs. 40,000	24,290	942.7	9,342	320.5	3,753	126.3	275,454	9,494.6	5,404	187.2
Rs. 40,000 to	Rs. 50,000	2,907	134.7	8,597	369.5	2,219	100.7	211,622	9,509.1	3,057	134.6
Rs. 50,000 to	Rs. 60,000	4,518	249.1	3,048	161.3	2,200	124.4	113,106	6,190.8	1,836	102.4
Rs. 60,000 to	Rs. 70,000	2,046	131.5	1,673	107.9	2,032	134.6	74,407	4,799.4	4,929	326.8
Rs. 70,000 to	Rs. 80,000	21,985	1,655.7	2,326	174.0	4,090	306.3	57,281	4,313.7	1,835	134.1
Rs. 80,000 to	Rs. 90,000	3,344	282.9	1,632	140.4	1,157	98.1	46,458	3,948.8	2,222	187.4
Rs. 90,000 to	Rs. 100,000	5,513	528.6	1,129	107.0	1,161	109.6	39,677	3,774.2	855	79.5
Rs. 100,000 to	Rs. 200,000	42,985	6,651.4	6,661	910.6	8,217	1,216.9	169,268	23,301.1	5,173	714.6
Rs. 200,000 to	Rs. 300,000	37,018	8,552.2	2,229	542.7	2,931	731.1	43,712	10,369.5	3,063	787.4
Rs. 300,000 to	Rs. 400,000	14,919	5,385.8	1,257	426.2	468	164.4	15,537	5,283.9	1,014	346.9
Rs. 400,000 to	Rs. 500,000	13,552	5,978.4	853	378.1	1,578	692.9	9,150	4,146.7	421	192.8
Rs. 500,000 to	Rs. 600,000	6,219	3,438.2	349	184.1	669	376.8	9,462	5,080.7	367	202.2
Rs. 600,000 to	Rs. 700,000	9,788	6,457.9	946	645.3	306	200.5	5,578	3,585.6	359	229.4
Rs. 700,000 to	Rs. 800,000	2,221	1,681.2	303	224.9	438	341.1	4,550	3,362.1	372	285.8
Rs. 800,000 to	Rs. 900,000	2,768	2,295.3	1,099	956.8	109	92.4	3,092	2,678.1	83	70.0
Rs. 900,000 to	Rs. 1,000,000	2,046	1,959.8	356	345.2	89	82.9	3,196	3,041.0	135	126.5
Rs. 1,000,000 to	Rs. 2,000,000	6,063	8,056.7	1,691	2,290.6	1,559	2,000.3	16,547	21,068.8	666	880.5
Rs. 2,000,000 to	Rs. 3,000,000	2,172	4,935.6	591	1,489.9	433	1,029.2	1,696	4,054.0	364	909.2
Rs. 3,000,000 to	Rs. 4,000,000	734	2,555.5	274	1,015.9	319	1,141.7	769	2,660.4	62	214.2
Rs. 4,000,000 to	Rs. 5,000,000	420	1,860.5	150	668.8	291	1,352.1	554	2,486.6	89	407.0
Rs. 5,000,000 to	Rs. 6,000,000	426	2,396.4	103	547.8	100	517.5	352	1,959.0	23	120.2
Rs. 6,000,000 to	Rs. 7,000,000	357	2,288.4	123	813.5	72	485.4	152	967.9	36	235.2
Rs. 7,000,000 to	Rs. 8,000,000	213	1,555.9	153	1,171.2	80	619.0	276	2,050.1	21	154.6
Rs. 8,000,000 to	Rs. 9,000,000	116	1,016.5	132	1,104.7	91	776.5	136	1,140.2	110	904.8
Rs. 9,000,000 to	Rs. 10,000,000	15	144.0	106	1,006.0	89	843.9	118	1,136.9	3	23.6
Rs. 10,000,000 and over		685	68,409.5	530	17,096.1	564	20,502.5	826	25,767.8	98	4,848.3
TOTAL		277,864	140,222.8	159,546	34,368.5	129,510	35,193.1	9,207,760	240,171.1	200,272	14,161.4

BY CATEGORY OF DEPOSIT HOLDER AND SIZE OF ACCOUNT
Banks
31st December, 1995

(Million Rupees)

C O N S T I T U E N T S													
Personal		Others		Sub Total		TOTAL		SIZE OF ACCOUNT					
No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount						
671,886	372.3	35,668	12.2	1,055,331	605.2	1,056,295	605.6		Less than	Rs.	1,000		
319,544	405.3	14,839	18.9	503,377	631.8	503,568	632.0	Rs.	1,000	to	Rs.	1,500	
401,821	706.4	12,616	21.9	583,732	1,025.1	584,198	1,025.8	Rs.	1,500	to	Rs.	2,000	
1,428,184	3,599.8	18,558	44.8	1,965,292	4,948.8	1,965,343	4,949.0	Rs.	2,000	to	Rs.	3,000	
1,995,780	7,025.8	15,799	57.5	2,622,223	9,256.3	2,625,195	9,267.5	Rs.	3,000	to	Rs.	4,000	
2,277,144	10,316.2	8,955	40.4	2,901,184	13,157.4	2,910,344	13,198.6	Rs.	4,000	to	Rs.	5,000	
2,289,837	12,645.7	10,680	57.6	3,047,565	16,830.8	3,056,551	16,879.4	Rs.	5,000	to	Rs.	6,000	
1,875,339	12,162.7	9,267	58.8	2,531,711	16,398.0	2,549,525	16,519.5	Rs.	6,000	to	Rs.	7,000	
1,581,149	11,856.6	6,166	46.1	2,239,334	16,794.3	2,241,641	16,811.3	Rs.	7,000	to	Rs.	8,000	
1,347,289	11,418.5	5,705	47.8	1,930,290	16,365.5	1,932,811	16,387.4	Rs.	8,000	to	Rs.	9,000	
1,165,460	11,055.8	3,081	29.2	1,654,265	15,709.3	1,654,280	15,709.4	Rs.	9,000	to	Rs.	10,000	
3,637,616	48,977.3	24,571	327.5	5,903,672	80,178.1	5,920,385	80,392.4	Rs.	10,000	to	Rs.	20,000	
490,476	10,843.4	3,449	76.8	933,855	20,752.4	938,463	20,853.6	Rs.	20,000	to	Rs.	25,000	
219,696	5,974.1	3,036	83.1	482,627	13,176.4	486,403	13,276.6	Rs.	25,000	to	Rs.	30,000	
302,793	10,242.6	3,089	107.0	599,835	20,478.2	624,125	21,420.9	Rs.	30,000	to	Rs.	40,000	
139,444	6,142.1	2,172	96.0	367,111	16,352.0	370,018	16,486.7	Rs.	40,000	to	Rs.	50,000	
100,923	5,524.3	2,912	161.4	224,025	12,264.5	228,543	12,513.6	Rs.	50,000	to	Rs.	60,000	
93,631	6,085.1	2,025	130.7	178,697	11,584.4	180,743	11,715.9	Rs.	60,000	to	Rs.	70,000	
72,098	5,370.3	1,882	141.4	139,512	10,439.8	161,497	12,095.4	Rs.	70,000	to	Rs.	80,000	
59,596	5,053.6	1,552	131.3	112,617	9,559.4	115,961	9,842.3	Rs.	80,000	to	Rs.	90,000	
50,013	4,728.6	1,399	132.4	94,234	8,931.3	99,747	9,459.9	Rs.	90,000	to	Rs.	100,000	
248,629	33,814.3	7,223	937.5	445,171	60,895.1	488,156	67,546.4	Rs.	100,000	to	Rs.	200,000	
64,854	15,713.8	1,279	301.7	118,068	28,446.3	155,086	36,998.5	Rs.	200,000	to	Rs.	300,000	
28,143	9,617.0	474	161.6	46,893	16,000.1	61,812	21,385.9	Rs.	300,000	to	Rs.	400,000	
13,043	5,743.8	197	89.1	25,242	11,243.3	38,794	17,221.8	Rs.	400,000	to	Rs.	500,000	
11,484	6,261.5	88	46.8	22,419	12,152.1	28,638	15,590.3	Rs.	500,000	to	Rs.	600,000	
5,211	3,337.2	61	37.9	12,461	8,035.8	22,249	14,493.7	Rs.	600,000	to	Rs.	700,000	
5,419	4,045.7	16	11.8	11,098	8,271.3	13,319	9,952.5	Rs.	700,000	to	Rs.	800,000	
2,077	1,771.1	36	30.6	6,496	5,598.9	9,264	7,894.2	Rs.	800,000	to	Rs.	900,000	
2,116	1,995.5	29	27.4	5,921	5,618.5	7,967	7,578.2	Rs.	900,000	to	Rs.	1,000,000	
9,125	12,337.9	55	70.2	29,643	38,648.4	35,706	46,705.1	Rs.	1,000,000	to	Rs.	2,000,000	
2,464	5,931.7	6	14.8	5,554	13,428.8	7,726	18,364.4	Rs.	2,000,000	to	Rs.	3,000,000	
639	2,230.5	1	3.0	2,064	7,265.7	2,798	9,821.1	Rs.	3,000,000	to	Rs.	4,000,000	
973	4,309.9	2	8.1	2,059	9,232.5	2,479	11,093.0	Rs.	4,000,000	to	Rs.	5,000,000	
-	-	-	-	578	3,144.4	1,004	5,540.8	Rs.	5,000,000	to	Rs.	6,000,000	
-	-	-	-	383	2,502.0	740	4,790.4	Rs.	6,000,000	to	Rs.	7,000,000	
-	-	-	-	530	3,995.0	743	5,550.9	Rs.	7,000,000	to	Rs.	8,000,000	
-	-	-	-	469	3,926.2	585	4,942.7	Rs.	8,000,000	to	Rs.	9,000,000	
-	-	-	-	316	3,015.3	331	3,159.3	Rs.	9,000,000	to	Rs.	10,000,000	
-	-	-	-	2,018	68,214.7	2,703	136,624.3	Rs.	10,000,000	and over			
20,913,896	297,616.3	196,888	3,563.1	30,807,872	625,073.5	31,085,736	765,296.2	TOTAL					

5.17 WEIGHTED AVERAGE RATES OF RETURN ON DEPOSITS

(i) PLS & Interest Bearing--All Banks

(Percent per annum)

Type of Deposit	Jun. 1993		Dec. 1993		Jun. 1994		Dec. 1994		Jun. 1995		Dec. 1995	
	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total
I. CALL DEPOSITS	5.04	1.76	5.56	1.82	5.86	1.68	5.45	2.23	4.75	2.53	5.64	2.79
II. SAVING DEPOSITS	7.14	56.51	7.31	56.51	7.31	55.77	7.37	54.81	7.30	53.69	7.26	52.47
III. TERM OR FIXED DEPOSITS												
(a) Less than 3 months	5.61	8.97	6.67	8.89	6.76	8.07	7.00	8.54	6.69	8.08	7.08	8.33
(b) 3 months and over but less than 6 months	6.37	8.29	6.64	7.75	6.67	8.00	7.16	7.70	7.35	8.61	7.19	10.09
(c) 6 months and over but less than 1 year	8.80	3.75	7.82	4.39	8.10	4.81	3.38	4.94	8.72	6.01	8.42	5.89
(d) 1 year and over but less than 2 years	7.26	7.49	7.36	6.64	7.59	7.28	9.16	7.53	8.01	7.59	8.53	7.10
(e) 2 years and over but less than 3 years	10.22	1.84	11.34	1.56	9.51	2.48	10.86	2.29	10.91	1.56	11.06	1.73
(f) 3 years and over but less than 4 years	11.90	3.16	11.57	3.91	11.40	3.22	11.71	3.41	11.77	3.02	12.27	3.08
(f) 4 years and over but less than 5 years	13.09	0.70	13.68	0.91	13.68	1.10	12.68	1.23	13.22	0.91	12.84	0.83
(h) 5 years and over	13.75	7.25	14.84	7.62	14.36	7.59	14.70	7.32	14.73	8.01	14.64	7.68
IV. OVERALL												
(i) Excluding current & other deposits	7.70		8.11		8.04		8.22		8.18		8.18	
(ii) Including current & other deposits	6.09		6.40		6.17		6.37		6.25		6.35	

PLS Profit and Loss Sharing

(Contd.)

5.17 WEIGHTED AVERAGE RATES OF RETURN ON DEPOSITS

(ii) Profit & Loss Sharing--All Banks

(Percent per annum)

Type of Deposit	Jun. 1993		Dec. 1993		Jun. 1994		Dec. 1994		Jun. 1995		Dec. 1995	
	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total
I. CALL DEPOSITS	5.38	1.93	5.84	2.08	6.23	2.03	6.03	1.91	6.34	2.20	6.29	1.68
II. SAVING DEPOSITS	7.49	62.07	8.05	62.00	8.04	62.32	7.85	60.84	7.59	61.00	7.58	60.59
III. TERM OR FIXED DEPOSITS												
(a) Less than 3 months	6.55	8.83	7.67	8.89	7.93	7.40	7.79	7.96	7.76	7.28	7.98	6.68
(b) 3 months and over but less than 6 months	9.24	3.93	9.84	4.11	9.81	3.83	9.58	3.51	9.47	3.81	9.74	4.64
(c) 6 months and over but less than 1 year	9.92	3.94	10.80	3.18	10.72	3.63	10.58	3.41	10.36	4.75	10.62	4.11
(d) 1 year and over but less than 2 years	10.72	4.05	11.40	3.60	11.24	4.28	11.62	5.73	11.19	4.19	10.93	4.79
(e) 2 years and over but less than 3 years	11.25	2.06	11.83	1.99	11.78	2.20	11.72	2.51	11.65	1.80	11.64	2.06
(f) 3 years and over but less than 4 years	12.18	3.76	12.98	3.87	12.79	3.69	12.76	3.62	12.61	3.61	12.68	4.00
(g) 4 years and over but less than 5 years	13.13	0.91	13.92	1.02	13.84	1.45	13.58	1.34	13.28	1.21	13.27	1.06
(h) 5 years and over	14.40	8.51	15.39	9.26	15.00	9.17	15.08	9.17	15.01	10.13	14.88	10.38
IV. OVERALL												
(i) Excluding current & other deposits	8.55		9.26		9.27		9.19		9.00		9.07	
(ii) Including current & other deposits	6.07		6.64		6.62		6.59		6.39		6.64	

(Contd.)

5.17 WEIGHTED AVERAGE RATES OF RETURN ON DEPOSITS

(Concl'd.)

(iii) Interest Bearing--All Banks

(Percent per annum)

Type of Deposit	Jun. 1993		Dec. 1993		Jun. 1994		Dec. 1994		Jun. 1995		Dec. 1995	
	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total	Wtd. Avg.	% of Total
I. CALL DEPOSITS	4.33	1.23	4.79	1.19	3.80	0.84	4.47	3.10	2.02	3.40	5.17	5.39
II. SAVING DEPOSITS	4.78	41.49	4.75	42.88	4.70	40.45	5.33	38.48	5.96	34.36	5.91	33.33
III. TERM OR FIXED DEPOSITS												
(a) Less than 3 months	4.29	9.41	4.50	8.89	4.66	9.64	5.33	10.12	4.67	10.18	5.93	12.22
(b) 3 months and over but less than 6 months	4.90	20.91	4.62	16.77	5.08	17.77	5.96	19.04	6.35	21.28	5.98	22.93
(c) 6 months and over but less than 1 year	5.05	3.21	4.81	7.38	5.15	7.56	6.13	9.06	6.51	9.32	6.32	10.10
(d) 1 year and over but less than 2 years	5.05	17.44	4.80	14.16	5.04	14.29	6.08	12.40	5.88	16.57	6.37	12.54
(e) 2 years and over but less than 3 years	4.66	1.18	6.21	0.51	5.77	3.14	7.41	1.69	7.10	0.93	8.11	0.95
(f) 3 years and over but less than 4 years	9.96	1.41	7.92	4.01	5.80	2.14	8.10	2.85	6.22	1.45	8.21	0.94
(g) 4 years and over but less than 5 years	10.93	0.09	12.42	0.64	11.74	0.28	9.11	0.92	11.63	0.11	9.23	0.30
(h) 5 years and over	11.41	3.63	10.95	3.57	10.86	3.89	10.68	2.34	11.61	2.41	10.18	1.30
IV. OVERALL												
(i) Excluding current & other deposits	5.12		5.14		5.17		5.93		6.03		6.10	
(ii) Including current & other deposits	4.91		4.69		4.80		5.59		5.74		5.51	

5.18 WEIGHTED AVERAGE RATES OF RETURN ON ADVANCES

(Percent per annum)

AS AT THE END OF		Precious Metals	Stock Exchange Securities	Merchandise	Fixed Assets including Machinery	Real Estate	Financial Obligations	Others	TOTAL ADVANCES
I. INTEREST BEARING & ISLAMIC MODES OF FINANCING - ALL BANKS									
1991	Jun.	10.83	11.79	11.60	12.63	11.06	9.55	9.03	10.77
1992	Dec.	15.21	14.66	13.96	13.93	12.06	12.55	13.26	13.32
1993	Jun.	14.68	14.90	14.05	14.36	11.64	12.62	13.12	13.32
	Dec.	13.16	13.59	14.16	13.60	12.56	13.23	13.33	13.52
1994	Jun.	15.38	15.21	13.77	14.07	12.76	14.07	13.00	13.66
	Dec.	13.84	15.66	14.47	14.63	12.04	12.35	12.99	13.53
1995	Jun.	14.22	16.09	14.42	14.55	12.46	14.61	12.88	13.74
	Dec.	14.64	16.61	15.07	14.77	11.13	15.34	13.71	13.91
II. INTEREST BEARING - ALL BANKS									
1991	Jun.	10.86	11.75	12.25	13.65	11.43	7.82	9.74	10.89
1992	Dec.	13.65	13.01	12.98	14.45	12.20	10.29	12.96	13.06
1993	Jun.	12.70	13.24	13.90	14.30	12.63	8.22	12.61	13.09
	Dec.	14.12	7.81	12.08	14.00	12.65	10.60	11.56	12.46
1994	Jun.	13.48	9.58	12.65	14.49	12.33	13.40	11.11	12.78
	Dec.	12.85	12.08	12.90	14.22	13.00	12.93	13.57	13.43
1995	Jun.	13.89	12.66	12.23	14.28	13.04	13.30	12.18	13.19
	Dec.	13.12	11.58	11.94	14.39	12.91	14.97	13.23	13.39
III. ISLAMIC MODES OF FINANCING - ALL BANKS									
1991	Jun.	10.83	11.80	11.53	11.82	10.80	11.72	8.87	10.74
1992	Dec.	15.80	14.83	14.01	13.54	12.04	13.30	13.30	13.36
1993	Jun.	14.92	15.14	14.06	14.41	11.51	13.78	13.20	13.36
	Dec.	12.90	14.48	14.30	13.40	12.54	13.80	13.58	13.68
1994	Jun.	15.51	16.05	14.41	13.85	12.84	13.91	13.25	13.78
	Dec.	13.94	16.30	14.57	14.80	11.90	12.34	12.92	13.54
1995	Jun.	14.24	16.45	14.52	14.68	12.40	14.70	12.95	13.80
	Dec.	14.68	16.72	15.19	14.92	10.92	15.35	13.77	13.97

5.19 CALL MONEY RATE

(Percent per annum)

PERIOD	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
July	7.50	3.94	4.52	2.50	12.40	9.62
August	7.50	7.36	1.66	5.00	5.65	11.25
September	7.00	6.10	11.86	15.83	6.88	11.78
October	6.75	10.52	10.18	13.71	5.95	11.49
November	7.25	9.25	8.04	10.18	10.69	8.05
December	8.00	8.84	11.54	14.87	10.74	14.44
January	8.13	7.99	12.85	8.93	14.69	13.79
February	7.75	8.32	13.53	5.82	11.73	11.89
March	8.75	11.53	10.60	8.20	9.01	12.71
April	5.50	7.25	6.70	3.31	13.50	14.30
May	5.71	3.46	14.16	11.64	11.03	5.54
June	5.64	3.79	12.12	10.14	11.69	9.02

5.20 CURRENCY IN CIRCULATION

(Million Rupees)

Period ended	Notes of Rs.2 and above	One Rupee	Subsidiary Coins	Total (1+2+3)	Held by Banking Department of SBP	Held by Issue Department of SBP	Currency In tills of Scheduled Banks	Currency in Circulation (4-5-6-7)
		Notes/ Coins			5	6		
	1	2	3	4	5	6	7	8
June, 1986	65,637	1,787	380	67,804	197	230	4,101	63,276
„ 1987	77,796	1,787	408	79,991	321	344	4,623	74,703
„ 1988	91,205	1,787	445	93,437	209	308	5,135	87,785
„ 1989	100,981	1,787	470	103,238	292	454	4,984	97,508
„ 1990	118,515	1,786	516	120,817	112	287	5,351	115,067
„ 1991	142,171	2,186	559	144,916	167	443	7,339	136,967
„ 1992	158,655	2,187	591	161,433	150	502	8,962	151,819
„ 1993	175,719	2,587	627	178,933	424	344	11,301	166,864
„ 1994	195,809	2,607	654	199,070	170	454	13,738	184,708
„ 1995	229,313	2,604	672	232,589	234	413	16,363	215,579
„ 1996	250,620	2,604	684	253,909	165	305	19,328	234,110
1995 Jul.	227,954	2,604	672	231,230	291	455	13,302	217,182
Aug.	223,038	2,604	672	226,314	340	438	13,739	211,796
Sep.	223,149	2,604	672	226,425	145	450	15,250	210,580
Oct.	226,560	2,604	672	229,836	146	461	13,096	216,133
Nov.	239,124	2,603	672	242,399	176	409	14,034	227,780
Dec.	245,420	2,604	672	248,696	330	406	13,949	234,011
1996 Jan.	262,637	2,606	672	265,915	281	422	14,612	250,600
Feb.	275,529	2,606	671	278,806	228	215	15,050	263,313
Mar.	258,447	2,604	672	261,723	362	233	14,758	246,370
Apr.	263,845	2,605	682	267,132	267	231	12,132	254,502
May	259,274	2,604	684	262,561	185	259	16,585	245,532
Jun.	250,620	2,604	684	253,909	165	305	19,328	234,110

5.21 NATIONAL SAVINGS

(Outstanding)

SCHEME	1987	1988	1989	1990	1991
A. Accounts (1 to 6)	22,914.8	30,664.2	37,913.1	39,231.0	32,115.7
(i) National Savings Centres	20,954.6	27,842.2	33,816.8	34,903.8	28,360.2
(ii) Post Offices	1,960.2	2,822.0	4,096.3	4,327.2	3,755.5
1. Savings Accounts	1,786.1	2,196.2	2,514.0	3,032.1	4,691.4
2. Khas Deposit Accounts	20,657.5	28,003.0	34,911.6	33,931.9	20,161.9
3. Profit-Cum-Bonus Deposits/ National Deposit Accounts	286.8	192.8	101.4	34.3	
4. Mahana Amdani Accounts	168.2	271.4	385.3	510.3	664.9
5. Special Savings Accounts (old)	16.2	0.8	0.8	0.8	0.8
6. Special Savings Accounts				1,721.5	6,596.6
B. Certificates (7 to 13)	47,594.8	63,277.1	76,208.9	92,717.7	102,599.0
(i) National Savings Centres	24,981.1	34,458.9	44,435.2	57,710.1	67,124.7
(ii) Post Offices	1,751.6	2,291.5	2,776.1	3,416.2	4,711.8
(iii) Banks	20,898.1	26,526.7	28,997.6	31,591.5	30,762.5
7. Defence Savings Certificates	15,733.4	20,923.0	25,373.2	35,156.0	41,926.6
8. National Deposit Certificates	2,830.4	3,573.3	4,813.3	5,435.4	4,830.2
9. Khas Deposit Certificates	29,004.2	38,769.7	76,019.4	45,091.3	29,105.3
10. Premium Savings Certificates	26.8	11.1	3.9	0.6	0.6
11. Special Savings Certificates (Registered)				6,550.2	24,876.7
12. Special Savings Certificates (Bearer)				484.1	1,859.7
13. Regular Income Certificates					
C. Prize Bonds (14 to 21)	20,058.3	21,089.5	22,511.1	24,834.4	27,857.3
14. Rs.5/-	16.5	16.5	16.5	14.9	14.9
15. Rs.10/-	1,418.0	47.7	25.6	25.3	25.3
16. Rs.50/-	2,754.5	2,693.3	2,669.0	2,846.6	3,041.0
17. Rs.100/-	-	2,116.7	2,534.5	2,857.5	2,976.1
18. Rs.500/-	7,187.2	7,371.3	7,434.2	8,010.5	9,095.0
19. Rs.1000/-	8,682.1	8,843.9	9,831.3	11,079.5	12,705.0
20. Rs.10,000/-					
21. Rs.25,000/-					
TOTAL (A+B+C)	90,567.9	115,030.8	136,633.1	156,783.1	162,572.0

- Notes:-
1. National Savings Centres started sales of Savings Certificates from 1971-72.
 2. Khas Deposit Certificates and National Deposit Certificates were introduced in the year 1972-73 and discontinued w.e.f. 4-2-90.
 3. Khas Deposit Accounts were introduced in 1974-75 and discontinued w.e.f. 4-2-90.
 4. National Savings Centres started receiving deposits in Savings Deposit Accounts in 1974-75.
 5. Profit-cum-Bonus Deposit Accounts were replaced by National Deposit Accounts in 1976-77 and discontinued from 1-3-1984.

SCHEMES

Amount)

(End June: Million Rupees)

1992	1993	1994	1995	1996	SCHEME
28,338.6	23,262.0	34,778.2	36,715.1	43,556.9	A. Accounts (1 to 6)
21,841.3	15,055.5	26,489.8	26,313.7	31,967.0	(i) National Savings Centres
6,497.3	8,206.5	8,288.4	10,401.4	11,589.9	(ii) Post Offices
5,599.2	5,209.3	15,786.3	15,639.8	20,312.4	1. Savings Accounts
9,973.8	1,349.6	986.5	762.6	588.6	2. Khas Deposit Accounts
					3. Profit-Cum-Bonus Deposits/ National Deposit Accounts
851.7	1,052.2	1,261.6	1,466.9	1,671.8	4. Mahana Amdani Accounts
0.8	0.8	0.8			5. Special Savings Accounts (old)
11,913.1	15,650.1	16,743.0	18,844.8	20,984.1	6. Special Savings Accounts
110,635.3	121,059.1	141,932.6	174,104.3	209,336.2	B. Certificates (7 to 13)
75,982.7	85,787.6	101,497.0	122,103.2	146,532.7	(i) National Savings Centres
6,607.6	8,018.7	10,149.3	15,684.6	18,837.3	(ii) Post Offices
28,045.0	27,252.8	30,286.4	36,316.5	43,966.2	(iii) Banks
47,504.9	52,994.7	64,364.6	85,019.4	105,162.9	7. Defence Savings Certificates
4,220.5	3,632.6	2,997.9	2,192.9	1,086.7	8. National Deposit Certificates
13,012.8	1,139.2	800.8	612.9	458.6	9. Khas Deposit Certificates
0.6	0.5	0.5	0.5	0.5	10. Premium Savings Certificates
43,011.4	58,450.6	64,101.2	71,524.1	83,868.7	11. Special Savings Certificates (Registered)
2,885.2	3,721.1	4,303.3	5,367.3	4,638.5	12. Special Savings Certificates (Bearer)
	1,120.3	5,364.3	9,387.3	14,119.3	13. Regular Income Certificates
29,707.1	34,612.6	39,258.9	44,694.2	51,000.4	C. Prize Bonds (14 to 21)
14.9	14.9	14.9	14.9	14.9	14. Rs.5/-
25.3	25.3	25.3	25.3	25.3	15. Rs.10/-
3,201.3	3,421.8	3,472.2	3,723.5	3,643.4	16. Rs.50/-
3,091.9	3,485.3	3,811.0	4,154.2	4,004.1	17. Rs.100/-
9,758.7	11,216.3	12,675.6	14,555.7	14,446.8	18. Rs.500/-
13,615.0	16,449.0	19,259.8	22,220.5	21,846.8	19. Rs.1,000/-
				3,040.0	20. Rs.10,000/-
				3,978.9	21. Rs.25,000/-
168,681.0	178,933.7	215,969.7	255,513.6	303,893.5	TOTAL (A+B+C)

- Notes:-
6. Cumulative balance of Fixed Deposit Accounts at the end of 1975-76 was merged with National Deposit Accounts and is reflected in the progressive figures of National Deposit Accounts at the end of 1976-77.
 7. Premium Savings Certificates were introduced from 1979-80 and discontinued from 1-7-1983.
 8. Mahana Amdani Accounts and Special Savings Accounts were introduced from March, 1983.
 9. Special Savings Certificates (Registered and Bearer) and Special Savings Accounts were introduced w.e.f. 4-2-1990.
 10. Regular Income Certificates were introduced w.e.f. 2-2-1993.
 11. Prize Bonds of Rs.25,000 and Rs.10,000 were introduced w.e.f. 15-11-1995 and 15-12-1995 respectively.

Source : Central Directorate of National Savings.

5.22 DISTRIBUTION OF OFFICES OF SEVERAL CLASSES OF SCHEDULED BANKS BY POPULATION

(End June)

POPULATION		1995					1996				
		No of Places	Pakistani Banks	Foreign Banks	Total Scheduled Banks	Average Population per office	No. of Places	Pakistani Banks	Foreign Banks	Total Scheduled Banks	Average Population Per office
Over	1,000,000	3	1,501	62	1,563	5,833	3	1,539	66	1,605	5,680
500,000	to 1,000,000	5	666	7	673	5,260	5	697	12	709	4,993
200,000	to 500,000	5	351	5	356	3,983	5	357	5	362	3,917
100,000	to 200,000	16	426	-	426	5,157	16	448	-	448	4,904
75,000	to 100,000	6	89	-	89	5,685	6	94	-	94	5,383
50,000	to 75,000	26	319	-	319	5,090	26	333	-	333	4,876
25,000	to 50,000	80	469	-	469	4,362	80	475	-	475	4,307
15,000	to 25,000	87	458	-	458	3,700	87	469	-	469	3,613
10,000	to 15,000	61	233	-	233	3,322	61	243	-	243	3,185
5,000	to 10,000	87	290	-	290	2,318	87	294	-	294	2,286
Less than 5,000		2,786	3,524	-	3,524	19,064	2,836	3,574	-	3,574	18,797
TOTAL		3,162	8,326	74	8,400	-	3,212	8,523	83	8,606	-

Distribution is based in accordance with the population census of 1981.

CAPITAL MARKET

6.1 STATE BANK GENERAL INDEX OF SHARE PRICES

(1990-91=100)

Group/Sub-Group (Last Thursday)	1993		1994		1995		1996
	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.	Jun.
1. Cotton and Other Textiles	130.08	157.73	188.28	134.03	107.70	99.92	88.34
(i) Textile Spinning	102.18	113.52	158.20	117.22	94.12	91.17	75.48
(ii) Textile Weaving & Composite	115.87	133.52	152.21	99.88	76.40	68.40	63.40
(iii) Other Textiles	172.19	226.14	254.44	185.00	152.57	138.12	125.98
2. Chemicals and Pharmaceuticals	236.39	335.78	405.59	360.78	311.76	342.69	314.64
3. Engineering	142.26	216.73	277.94	191.58	147.44	153.65	143.55
4. Auto and Allied	192.97	220.99	272.97	184.05	140.56	128.95	122.33
5. Cables and Electrical Goods	195.74	245.86	314.41	251.21	201.12	188.54	241.14
6. Sugar and Allied	121.39	140.35	153.50	114.23	98.73	91.12	86.39
7. Paper and Board	141.53	189.84	219.98	188.51	161.17	150.38	145.37
8. Cement	382.35	790.02	986.48	806.62	496.82	404.41	225.24
9. Fuel and Energy	201.21	331.55	441.17	367.28	315.77	281.77	289.05
10. Transport and Communication	183.34	223.65	209.88	149.88	105.94	104.42	98.36
11. Banks and Other Financial Institutions	134.92	212.60	297.01	255.90	172.19	134.99	106.64
(i) Banks and Investment Companies	146.03	248.35	355.72	307.63	179.36	169.93	133.77
(ii) Modarabas	71.82	80.39	95.65	77.27	50.08	40.33	32.06
(iii) Leasing Companies	147.41	211.12	308.24	243.55	162.63	158.97	111.71
(iv) Insurance	174.41	310.73	428.42	395.13	295.67	334.44	273.50
12. Miscellaneous	147.68	162.48	204.76	173.84	159.55	229.63	222.96
(i) Jute	79.62	74.04	77.59	58.83	50.98	45.70	43.74
(ii) Food and Allied	183.63	191.91	238.17	204.81	184.13	180.68	192.66
(iii) Glass and Ceramics	149.32	182.04	255.92	220.60	202.66	195.59	172.00
(iv) Vanaspati and Allied	86.87	76.33	102.94	81.34	74.07	65.98	58.89
(v) Others	238.97	288.06	349.19	303.63	285.91	303.79	287.26
General Index Number	161.72	234.16	290.23	232.47	186.85	190.14	171.39

6.2 MARKET CAPITALISATION OF ORDINARY SHARES

(Million Rupees)

Group/Sub-Group (Last Thursday)	1993		1994		1995		1996
	Jun.	Dec.	Jun.	Dec.	Jun.	Dec.	Jun.
1. Cotton and Other Textiles	38,911.2	60,449.7	76,772.3	61,342.6	46,237.0	46,692.0	37,744.2
(i) Textile Spinning	11,903.8	14,480.6	25,490.3	19,113.1	15,068.7	15,080.3	12,758.8
(ii) Textile Weaving & Composite	10,491.7	16,670.6	20,118.4	12,083.7	9,117.1	9,229.9	7,273.7
(iii) Other Textiles	16,515.7	29,298.5	31,163.6	30,145.8	22,051.2	22,381.8	17,711.7
2. Chemicals and Pharmaceuticals	43,759.9	74,730.6	76,912.4	71,831.4	50,864.3	55,987.6	73,563.8
3. Engineering	1,803.7	3,016.1	3,660.2	2,646.7	2,123.6	2,339.0	2,240.4
4. Auto and Allied	9,628.5	10,203.1	13,068.9	8,484.8	5,238.9	6,429.5	8,268.7
5. Cables and Electrical Goods	5,061.7	6,962.5	8,232.0	6,837.2	4,840.9	4,321.7	5,555.7
6. Sugar and Allied	7,587.8	8,955.3	9,632.4	6,953.8	6,118.8	5,814.8	5,255.5
7. Paper and Board	3,971.4	6,360.0	6,693.8	6,509.8	5,004.6	4,720.1	4,717.5
8. Cement	11,446.5	26,638.6	31,381.4	28,205.2	22,197.6	27,901.4	18,354.4
9. Fuel and Energy	29,413.9	55,988.9	62,180.9	65,734.4	59,779.9	67,333.2	111,851.1
10. Transport and Communication	7,171.6	10,691.9	8,717.1	29,225.3	23,855.2	25,286.2	30,151.7
11. Banks and Other Financial Institutions	33,024.7	56,416.3	75,346.8	63,019.4	43,508.4	46,133.8	42,703.7
(i) Banks and Investment Companies	16,736.7	31,438.8	45,756.5	39,834.9	26,221.5	28,544.2	25,873.1
(ii) Modarabas	6,451.4	7,849.0	9,628.4	7,897.9	5,105.3	4,422.2	3,656.6
(iii) Leasing Companies	4,399.4	7,104.9	10,027.6	7,492.9	5,702.1	6,536.2	5,076.3
(iv) Insurance	5,437.2	10,023.6	9,934.3	7,793.7	6,456.2	6,631.2	8,097.7
12. Miscellaneous	22,648.0	28,229.6	31,979.9	26,541.9	23,557.6	24,495.9	27,807.1
(i) Jute	468.0	429.9	495.2	314.2	247.0	248.5	245.7
(ii) Food and Allied	14,450.3	16,549.5	19,994.2	16,773.7	14,860.9	15,029.2	18,358.0
(iii) Glass and Ceramics	1,002.7	1,320.8	1,669.8	1,483.8	1,333.3	1,254.9	1,163.3
(iv) Vanaspati and Allied	388.8	350.4	611.8	425.4	427.2	412.4	328.0
(v) Others	6,338.2	9,579.0	9,208.9	7,544.8	6,689.2	7,550.9	7,712.1
Aggregate Market Capitalisation	214,428.7	348,642.3	404,578.3	377,332.6	293,326.8	317,455.2	368,213.8

6.3 TOTAL TURNOVER AT KARACHI STOCK EXCHANGE

(Million Nos.)

Month	1991-92	1992-93	1993-94	1994-95	1995-96
July	75.95	66.13	129.81	164.20	246.32
August	58.90	64.88	96.17	148.10	303.28
September	45.59	89.75	71.07	155.26	205.54
October	46.71	60.43	163.90	127.98	198.44
November	73.74	72.26	209.86	95.96	287.31
December	86.24	103.11	168.53	131.95	340.49
January	83.51	85.48	236.21	177.12	458.08
February	54.37	63.10	154.82	178.74	674.65
March	42.55	39.62	160.72	242.08	810.00
April	48.21	63.78	210.08	385.08	565.11
May	59.33	82.39	97.87	232.58	501.23
June	49.80	102.69	131.92	254.11	642.01

Source: Karachi Stock Exchange.

INTERNAL AND EXTERNAL PUBLIC DEBT

7.1 OWNERSHIP CLASSIFICATION OF THE FEDERAL GOVERNMENT DEBT

(Million Rupees)

AS ON 30TH JUNE	DEBT	H E L D B Y						Intera- Governmental Debt
		State Bank of Pakistan	Deposit Money Banks	Other Financial Institutions	Inter- national Institutions	Foreign Governments & Banks	Others	
1970	22,852	6,518	2,211	330	1,996	9,430	2,367	796
1971	26,096	7,492	2,247	340	2,130	11,093	2,974	721
1972	49,271	8,597	3,627	325	5,535	27,069	4,118	631
1973	50,147	8,812	4,998	395	5,624	26,705	3,613	923
1974	55,475	7,875	4,465	480	5,968	32,081	4,606	1,024
1975	59,102	9,273	5,415	489	6,250	31,607	6,068	1,062
1976	74,148	12,053	8,080	744	6,977	39,751	6,543	1,362
1977	86,279	15,529	9,479	1,015	7,956	45,623	6,677	1,538
1978	97,965	16,112	12,678	1,166	10,324	49,111	8,574	1,686
1979	117,354	24,342	14,450	1,449	11,503	56,480	9,130	1,848
1980	127,492	25,269	19,000	1,666	12,477	58,261	10,819	2,277
1981	134,012	25,740	19,457	2,514	13,800	60,124	12,377	2,456
1982	177,828	34,756	20,812	3,162	19,407	81,765	17,926	2,662
1983	198,582	27,127	25,928	4,007	28,100	82,626	30,794	2,921
1984	227,792	35,598	23,152	4,327	33,529	87,711	43,475	2,935
1985	284,085	54,704	30,292	4,103	41,555	98,600	54,831	3,897
1986	360,388	59,827	38,979	5,055	49,647	117,354	89,526	4,125
1987	412,276	55,694	45,597	8,630	57,326	129,704	115,325	5,298
1988	492,236	81,957	63,281	9,194	69,786	137,958	130,060	3,130
1989	581,192	90,038	61,037	10,527	92,533	161,125	165,932	3,647
1990	674,248	110,774	51,177	10,593	108,635	189,017	204,052	4,243
1991	776,583	119,846	83,354	14,810	137,985	197,018	223,569	4,994
1992	902,828	158,354	134,375	14,067	158,382	216,851	220,798	10,630
1993	1,058,682	183,054	170,871	18,996	199,434	246,606	239,721	13,976
1994	1,219,863	173,256	233,912	39,466	241,135	282,756	249,338	10,316
1995	1,400,547	197,097	239,046	42,922	249,938	350,145	321,399	15,882

7.2 GOVERNMENT OF PAKISTAN TREASURY BILLS

(Million Rupees)

PERIOD		6 months Government of Pakistan Treasury Bills (Auctioned and Rollover)			Outstanding Balance
		Issue	Discount Allowed	Discharge	
1991	Jun.	14,813.6	—	—	45,555.9
1992	Jun.	8,160.1	—	6,715.1	44,303.1
1993	Jun.	6,165.1	361.7	2,875.1	38,889.2
1994	Jun.	3,492.0	177.5	1,839.0	78,688.4
1995	Jun.	5,224.0	312.0	1,966.0	57,171.5
1996	Jun.	9,335.7	568.1	3,390.6	54,524.3
1995	Jul.	16,045.3	962.1	10,169.9	63,046.9
	Aug.	4,820.0	287.8	2,791.5	65,075.4
	Sep.	16,130.0	959.4	15,089.1	66,112.3
	Oct.	9,255.7	551.7	11,130.0	64,242.0
	Nov.	8,395.0	499.9	12,767.0	59,870.0
	Dec.	3,390.6	202.9	5,224.0	58,036.6
1996	Jan.	10,153.9	606.7	16,045.3	52,145.2
	Feb.	4,300.0	257.1	4,819.0	51,626.2
	Mar.	14,010.0	841.2	16,130.0	49,505.2
	Apr.	8,154.0	493.4	9,255.7	48,403.5
	May	8,570.7	519.7	8,395.0	48,579.2
	Jun.	9,335.7	568.1	3,390.6	54,524.3

7.3 FEDERAL GOVERNMENT'S PERMANENT DEBT OUTSTANDING

(End June: Million Rupees)

SECURITIES	1990	1991	1992	1993	1994	1995	1996
3.00% 1971 (Permanent)	2,740.0	2,740.0	2,740.0	2,740.0	2,740.0	2,740.0	2,740.0
10.50% 1995	314.2	314.2	314.2	314.2	314.2	314.2	15.0
10.50% 1997	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
11.25% 1998	422.0	422.0	422.0	422.0	422.0	422.0	422.0
11.50% 1999	1,193.3	1,193.3	1,193.3	1,193.3	1,193.3	1,193.3	1,193.3
11.50% 2000	790.9	790.9	790.9	790.9	790.9	790.9	790.9
11.75% 2001	8,208.7	8,208.7	8,208.7	8,208.7	8,208.7	8,208.7	8,208.7
11.75 % 2002	1,078.5	1,078.5	1,078.5	1,078.5	1,078.5	1,078.5	1,078.5
5.00% Income Tax Bonds	22.5	22.5	22.4	22.4	22.3	22.3	22.3
Govt. Bonds (Public Sector)	4,339.6	7,926.0	7,925.9	7,925.9	7,826.7	7,826.7	7,826.7
Govt. Bonds (under E.R.O. 1972)	3.5	3.0	2.8	1.8	1.5	1.5	1.5
Govt. Bonds (under Land Reforms 1977)	53.5	53.5	53.4	53.0	53.0	53.0	53.0
Compensation Bonds (Nationalised Banks, Petroleum,Shipping,Veg.Oil)	144.4	85.1	35.4	31.5	30.0	29.2	27.7
Govt. Bonds (Shah Nawaz Bhutto Sugar Mills)	73.1	73.1	73.1	73.1	73.1	73.1	73.1
Govt. Bonds (Heavy Mechanical Complex)	553.0	553.0	553.0	553.0	638.3	638.3	638.3
Govt. Bonds (Pakistan Paper Corporation)	33.9	33.9	33.9	33.9	33.9	33.9	-
Govt. Bonds (Pakistan Engineering Company)	-	-	-	-	-	753.5	787.4
Govt. Bonds (Shahdad Kot Textile)	-	-	-	-	-	-	116.2
Special Govt. Bonds issued to SLIC	6,910.7	7,304.2	7,304.1	7,304.1	7,304.1	7,304.1	7,304.1
Special National Funds Bonds	5.4	2.4	1.5	1.3	1.3	1.0	1.0
Foreign Exchange Bearer Certificates	7,747.7	9,277.2	8,500.4	11,008.6	11,815.4	13,493.0	11,955.6
Bearer National Fund Bonds	32,535.7	43,904.7	18,227.5	21.6	15.9	14.1	10.2
Federal Investment Bonds	-	38,420.2	83,223.7	136,801.7	149,720.9	168,808.3	165,808.8
Bearer Federal Investment Bonds	-	313.6	213.6	213.6	0.1	0.1	0.1
U.S. Dollar Bearer Certificates	-	584.2	2,197.5	1,547.1	1,265.5	862.4	349.7
F.C. Loan Repayment Bonds	-	-	8,353.1	9,903.7	9,248.2	8,576.5	7,891.7
Bearer National Fund Bonds Rollover	-	-	6,838.4	22,308.7	22,308.9	22,098.4	21,670.1
Foreign Currency Bearer Certificates	-	-	536.0	2,236.1	3,114.5	3,542.1	4,051.6
TOTAL OUTSTANDING DEBT*	73,767.8	129,570.4	165,077.7	220,609.0	234,041.3	253,880.3	248,037.5

* This does not include the amount of loans already discharged and outstanding after one year from the date of notice of discharge.

7.4 PROVINCIAL GOVERNMENTS' PERMANENT DEBT OUTSTANDING

(End June: Million Rupees)

SECURITIES	1990	1991	1992	1993	1994	1995	1996
Punjab Government Loans	503.9	503.9	503.9	413.4	415.5	415.4	415.4
10.75% 1994	106.0	106.0	106.0	106.0	2.1	2.0	2.0
10.75% 1996	27.3	27.3	27.3	27.3	27.3	27.3	27.3
10.75% 1997	50.6	50.6	50.6	50.6	50.6	50.6	50.6
10.50% 1998	75.8	75.8	75.8	78.8	75.8	75.7	75.7
10.50% 1999	78.5	78.5	78.5	78.5	78.5	78.5	78.5
15.00% 2001	-	75.2	75.2	75.2	75.2	75.2	75.2
16.00% 2004	-	-	-	-	106.0	106.0	106.0
Sindh Government Loans	1,723.8	1,723.8	1,723.8	1,723.8	1,723.8	1,723.8	1,723.8
10.75% 1996	969.5	969.5	969.5	969.5	969.5	969.5	969.5
10.75% 1997	26.3	26.3	26.3	26.3	26.3	26.3	26.3
10.50% 1999	54.3	54.3	54.3	54.3	54.3	54.3	54.3
15.00% 2001	-	44.3	44.3	44.3	44.3	44.3	44.3
15.50% 2002	-	-	185.8	185.8	185.8	185.8	185.8
16.00% 2003	-	-	-	443.6	443.6	443.6	443.6
N.W.F.P. Government Loans	730.8	682.5	682.5	225.9	223.7	223.7	223.7
10.75% 1996	10.2	10.2	10.2	10.2	10.2	10.2	10.2
10.75% 1997	25.9	25.9	25.9	25.9	25.9	25.9	25.9
10.50% 1998	120.0	120.0	120.0	120.0	120.0	120.0	120.0
10.50% 1999	67.6	67.6	67.6	67.6	67.6	67.6	67.6
Balochistan Government Loans	1,015.2	1,015.2	1,015.2	1,015.2	1,015.3	1,015.2	1,015.2
10.75% 1996	481.1	481.1	481.1	481.1	481.1	481.1	481.1
10.75% 1997	14.2	14.2	14.2	14.2	14.2	14.2	14.2
10.50% 1998	61.5	61.5	61.5	61.5	61.5	61.5	61.5
10.50% 1999	54.2	54.2	54.2	54.2	54.2	54.2	54.2
15.00% 2001	-	38.5	38.5	38.5	38.5	38.5	38.5
15.50% 2002	-	-	40.3	40.3	40.3	40.3	40.3
16.00% 2003	-	-	-	325.3	325.3	325.3	325.3

Note (i) This does not include the amount of loans already discharged and outstanding after one year from the date of notice of discharge.
(ii) Total may not tally due to separate rounding off.

7.5 DOMESTIC DEBT OUTSTANDING

(Million Rupees)

DEBT INSTRUMENTS	30-06-94	30-06-95	30-06-96
A. PERMANENT DEBT	267,633	293,568	294,705
1. Market Loans*	24,149	23,322	23,007
2. Federal Government Bonds	8,604	9,356	9,471
3. Income Tax Bonds	22	22	22
4. Government Bonds (L.R.-1977)	53	53	53
5. Special Government Bonds for SLIC	7,304	7,304	7,304
6. Bearer National Fund Bonds (BNFB) [@]	16	14	10
7. Bearer National Fund Bonds (Roll over) [@]	22,309	22,098	21,670
8. Special National Fund Bonds	1	1	1
9. Federal Investment Bonds (Auction)	146,421	165,526	162,956
10. Federal Investment Bonds (Tap)	3,300	3,282	2,853
11. Foreign Exchange Bearer Certificates	11,815	13,493	11,956
12. Foreign Currency Bearer Certificates	3,114	3,542	4,052
13. U.S. Dollar Bearer Certificates	1,266	862	350
14. Prize Bonds	39,259	44,694	51,000
B. FLOATING DEBT	257,637	294,233	361,298
1. Adhoc Treasury Bills	61,436	61,456	61,478
2. 6 Months Treasury Bills (Auction)	78,688	57,172	54,524
3. 6 Months Treasury Bills (SBP)	117,500	175,592	245,283
4. Treasury Bills (3 Months)	13	13	13
C. UNFUNDED DEBT	176,710	210,819	252,892[@]
1. Defence Saving Certificates	64,365	85,019	105,163
2. National Deposit Certificates/Accounts	2,998	2,193	1,087
3. Khas Deposit Certificates/Accounts	1,787	1,377	1,047
4. Special Saving Certificates (Registered)	64,101	71,524	83,869
5. Special Saving Certificates (Bearer)	4,303	5,367	4,639
6. Regular Income Certificates	5,364	9,387	14,119
7. Special Saving Accounts	16,743	18,845	20,984
8. Mahana Amdani Accounts	1,262	1,467	1,672
9. Savings Accounts	15,787	15,640	20,312
T O T A L (A+B+C)	701,980	798,620	908,895

[@] Provisional

* Including Provincial Governments Loans

BALANCE OF PAYMENTS AND FOREIGN TRADE

8.1 AVERAGE EXCHANGE RATE (Authorised Dealers)

PERIOD	Australian Dollar	Belgian Franc	Canadian Dollar	Chinese Yuan	Danish Krone	French Franc	German DM	Hong Kong Dollar	Italian Lira	Japanese Yen	Kuwaiti Dinar
1991-92	19.1123	0.7327	21.3864	4.5781	3.8958	4.4402	15.0838	3.2047	0.0201	0.1896	86.4030
1992-93	18.2623	0.8061	20.7982	4.5996	4.3059	4.8939	16.5751	3.3574	0.0190	0.2177	87.2127
1993-94	20.8851	0.8559	22.5554	4.3316	4.5298	5.2027	17.9039	3.9011	0.0185	0.2843	101.5740
1994-95	22.9083	1.0045	22.3750	3.6803	5.2534	5.9623	20.6804	3.9902	0.0198	0.3277	104.3749
1995-96	25.4912	1.1185	24.6581	4.0354	5.9354	6.6921	22.9718	4.3345	0.0212	0.3281	112.5264
1995 Jul.	22.6354	1.0931	22.9241	3.7591	5.7634	6.4522	22.4743	4.0327	0.0194	0.3510	104.5952
Aug.	23.2438	1.0555	23.1367	3.7744	5.5972	6.3097	21.6975	4.0510	0.0195	0.3317	104.2781
Sep.	23.7439	1.0475	23.3414	3.7888	5.5575	6.2505	21.5295	4.0742	0.0195	0.3127	105.3227
Oct.	24.2990	1.1023	23.8624	3.8611	5.8418	6.5027	22.6782	4.0877	0.0200	0.3187	107.7185
Nov.	25.6156	1.1792	25.3952	4.1302	6.2564	7.0313	24.2386	4.4403	0.0215	0.3367	115.1239
Dec.	25.4228	1.1593	25.0701	4.1291	6.1523	6.9242	23.8267	4.43960	0.0215	0.3373	115.1654
1996 Jan.	25.4855	1.1567	25.1328	4.1285	6.0814	6.8677	23.5084	4.44180	0.0219	0.3254	115.2471
Feb.	26.0129	1.1414	25.0458	4.1423	6.0775	6.8310	23.4717	4.4539	0.0219	0.3256	115.7245
Mar.	26.6056	1.1387	25.3038	4.1505	6.0607	6.8339	23.4124	4.4710	0.0222	0.3268	116.2853
Apr.	27.2567	1.1275	25.5498	4.1645	6.0001	6.8138	23.1568	4.4870	0.0221	0.3221	116.4456
May	27.7883	1.1061	25.4581	4.1842	5.8891	6.7182	22.7306	4.5052	0.0224	0.3279	116.8231
Jun.	27.7848	1.1149	25.6773	4.2123	5.9474	6.7700	22.9363	4.5295	0.0227	0.3219	117.5872

OF MAJOR CURRENCIES
to Public)

(Pak Rupees per Currency Unit)

Malay- sian Ringgit	Neth- erland Guilder	New Zealand Dollar	Norwe- gen Krone	Qatar Riyal	Saudi Riyal	Swedish Krona	Swiss Franc	U.A.E. Dirham	U.K. Pound	U.S. Dollar	PERIOD
9.3259	13.3928	13.8341	3.8505	6.8449	6.6442	4.1506	16.9154	6.7874	43.7454	24.8441	1991-92
10.1692	14.7394	13.1810	4.0096	7.1555	6.9407	3.9886	18.3825	7.0923	42.0315	25.9595	1992-93
11.5288	15.9401	16.9891	4.1305	8.3105	8.0642	3.8009	22.8077	8.2415	45.1600	30.1638	1993-94
12.1848	18.4547	19.5119	4.6915	8.5356	8.2475	4.1543	24.7362	8.4214	48.6951	30.8517	1994-95
13.2905	20.5247	22.3337	5.3528	9.2326	9.0606	5.0484	28.0734	9.2329	51.9192	33.5684	1995-96
12.7624	20.0622	21.0254	5.0545	8.5975	8.3418	4.3420	26.9991	8.5179	49.7739	31.2033	Jul. 1995
12.6448	19.3773	20.6374	4.8971	8.6399	8.3830	4.3332	26.2242	8.5599	49.1172	31.3563	Aug.
12.3381	19.2375	20.3439	5.3667	8.5383	8.8059	5.0580	25.9941	8.9813	49.0771	31.5186	Sep.
12.5292	20.2541	20.9022	5.4877	8.8408	8.8837	5.1921	27.5956	9.0610	50.6848	32.1071	Oct.
13.3309	21.6551	22.0912	5.8953	9.4301	9.5397	5.6911	29.5589	9.7307	53.6253	34.3357	Nov.
13.5199	21.2928	22.2940	5.4020	9.4606	9.1793	5.1807	29.5002	9.3595	52.8865	34.3357	Dec.
13.4415	21.0100	22.7031	5.3556	9.4629	9.1813	5.1097	29.1129	9.3686	52.6192	34.3433	Jan. 1996
13.5097	20.9600	23.2413	5.3742	9.4877	9.2059	5.0009	28.7722	9.2261	52.9030	34.4353	Feb.
13.5942	20.9171	23.4849	5.3809	9.5240	9.2409	5.1267	28.9102	9.4347	52.8472	34.5719	Mar.
13.7896	20.7176	23.6543	5.3602	9.5503	9.2770	5.1781	28.5787	9.4723	52.6962	34.7071	Apr.
13.9848	20.3349	23.9116	5.2970	9.6008	9.3166	5.1264	27.7794	9.5130	52.7250	34.8496	May
14.0404	20.4775	23.7152	5.3621	9.6579	9.3721	5.2424	27.8553	9.5696	54.0746	35.0570	Jun.

8.2 PAKISTAN'S BALANCE

I T E M	1992-93			1993-94		
	Credit	Debit	Net Credit	Credit	Debit	Net Credit
A. GOODS, SERVICES AND INCOME	8,410	14,425	- 6,015	8,405	12,760	- 4,355
1. Merchandise f.o.b.	6,782	10,049	- 3,267	6,685	8,685	- 2,000
2. Shipment	59	880	- 821	58	784	- 726
3. Other transportation	779	659	+ 120	767	667	* 100
4. Travel	103	761	- 658	108	390	- 282
5. Investment income	71	1,569	- 1,498	96	1,694	- 1,598
5.1 IMF	--	44	- 44	--	42	- 42
5.2 Official external debt	--	790	- 790	--	818	- 818
5.3 Other	71	735	- 664	96	834	- 738
6. Other goods, services & income	616	507	+ 109	691	540	+ 151
6.1 Official	219	259	- 40	251	287	- 36
6.2 Other	397	248	+ 149	440	253	+ 187
B. UNREQUITED TRANSFERS*	2,728	40	+ 2,688	2,737	33	+ 2,704
7. Private	2,348	21	+ 2,327	2,413	23	+ 2,390
8. Official	380	19	+ 361	324	10	+ 314
C. CAPITAL ACCOUNT	5,895	3,183	+ 2,712	6,473	3,316	+ 3,157
9. Direct Investment abroad	4	--	+ 4	6	--	+ 6
10. Direct Investment in Pakistan	306	--	+ 306	354	--	+ 354
11. Portfolio Investment	270	--	+ 270	339	--	+ 339
12. Other Long-term Capital--Official Sector	2,250	1,476	+ 774	2,156	1,335	+ 821
12.1 Assets	--	294	- 294	--	5	- 5
12.2 Loans drawn	1,985	1,156	+ 829	2,156	1,293	+ 863
12.3 Loans extended	--	26	- 26	--	18	- 18
12.4 Other Liabilities	265	--	+ 265	--	19	- 19
13. Other Long-term Capital--Deposit Money Banks	113	14	+ 99	55	21	+ 34
13.1 Assets	--	--	--	--	--	--
13.2 Loans	112	14	+ 98	55	18	+ 37
13.3 Other Liabilities	1	--	+ 1	--	3	- 3
14. Other Long-term Capital--Other Sectors	991	286	+ 705	1,098	413	+ 685
14.1 Assets	--	--	--	--	--	--
14.2 Loans	708	286	+ 422	672	413	+ 259
14.3 Other Liabilities	283	--	+ 283	426	--	+ 426
15. Other Short-term Capital--Official Sector	1,453	823	+ 630	1,683	1,355	+ 328
15.1 Assets	--	48	- 48	6	--	+ 6
15.2 Loans	1,048	775	+ 273	1,677	1,255	+ 422
15.3 Other Liabilities	405	--	+ 405	--	100	- 100

OF PAYMENTS

(Million U.S. Dollar)

I T E M	1992-93			1993-94		
	Credit	Debit	Net Credit	Credit	Debit	Net Credit
16. Other Short-term Capital--Deposit Money Banks	323	6	+ 317	500	161	+ 339
16.1 Assets	218	-	+ 218	--	161	- 161
16.2 Bilateral Balances--Assets	32	-	+ 32	34	--	+ 34
16.3 Bilateral Balances--Liabilities	-	6	- 6	9	--	+ 9
16.4 Liabilities under Non-Resident Accounts	11	-	+ 11	44	--	+ 44
16.5 Other Liabilities	62	-	+ 62	413	--	+ 413
17. Other Short-term Capital--Other Sectors	185	578	- 393	282	31	+ 251
17.1 Assets	-	578	- 578	--	31	- 31
17.2 Loans	-	-	--	-	-	-
17.3 Other Liabilities	185	-	+ 185	282	-	+ 282
D. RESERVES	823	234	+ 589	465	2,050	- 1,585
I. ASSETS	691	179	+ 512	89	1,971	- 1,882
18. Monetary Gold	73	73	-	27	27	-
18.1 Total changes in holdings	-	73	- 73	-	27	- 27
18.2 Counterpart to monetization	8	-	+ 8	-	-	-
18.3 Counterpart to valuation changes	65	-	+ 65	27	-	+ 27
19. Special Drawing Rights	-	2	- 2	4	-	+ 4
19.1 Total changes in holdings	-	2	- 2	3	-	+ 3
19.2 Counterpart to allocation	-	-	-	-	-	-
19.3 Counterpart to valuation changes	-	-	-	1	-	+ 1
20. Reserve position in the Fund	-	-	-	-	-	-
20.1 Total changes in holding	-	-	-	-	-	-
20.2 Counterpart to valuation changes	-	-	-	-	-	-
21. Foreign Exchange (Central Bank)	615	-	+ 615	48	1,840	- 1,792
21.1 Total changes in holdings	571	-	+ 571	-	1,840	- 1,840
21.2 Counterpart to valuation changes	44	-	+ 44	48	-	+ 48
22. Foreign Exchange (Deposit Money Banks)	3	104	- 101	10	104	- 94
22.1 Total changes in holdings	-	104	- 104	-	104	- 104
22.2 Counterpart to valuation changes	3	-	+ 3	10	-	+ 10
II. LIABILITIES	132	55	+ 77	376	79	+ 297
23. Use of Fund Credit	132	55	+ 77	376	79	+ 297
23.1 Total changes in holdings	132	-	+ 132	376	-	+ 376
23.2 Counterpart to valuation changes	--	55	- 55	-	79	- 79
E. ERRORS AND OMISSIONS (NET)	26	-	+ 26	79	-	+ 79

(Contd.)

8.2 PAKISTAN'S BALANCE

I T E M	1994-95			1995-96P		
	Credit	Debit	Net Credit	Credit	Debit	Net Credit
A. GOODS, SERVICES AND INCOME	9,909	14,830	- 4,921	10,384	17,233	- 6,849
1. Merchandise f.o.b.	7,759	10,296	- 2,537	8,300	11,966	- 3,666
2. Shipment	53	918	- 865	53	1,027	- 974
3. Other transportation	783	655	+ 128	760	667	+ 93
4. Travel	127	415	- 288	103	606	- 503
5. Investment income	182	1,953	- 1,771	171	2,114	- 1,943
5.1 IMF	--	50	- 50	-	48	- 48
5.2 Official external debt	--	914	- 914	-	948	- 948
5.3 Other	182	1,000	- 818	171	1,118	- 947
6. Other goods, services & income	1,005	593	+ 412	997	853	+ 144
6.1 Official	504	314	+ 190	447	510	- 72
6.2 Other	501	279	+ 222	550	334	+ 216
B. UNREQUITED TRANSFERS	2,805	47	+ 2,758	2,656	51	+ 2,605
7. Private	2,467	30	+ 2,437	2,421	30	+ 2,391
8. Official	338	17	+ 321	235	21	+ 214
C. CAPITAL ACCOUNT	6,762	4,286	+ 2,476	7,508	3,657	+ 3,851
9. Direct Investment abroad	--	3	- 3	4	-	+ 4
10. Direct Investment in Pakistan	442	--	+ 442	1,102	-	+ 1,102
11. Portfolio Investment	1,280	--	+ 1,280	157	-	+ 157
12. Other Long-term Capital--Official Sector	2,241	1,490	+ 751	2,434	1,662	+ 772
12.1 Assets	--	6	- 6	119	-	+ 119
12.2 Loans drawn	2,238	1,455	+ 783	2,309	1,528	+ 781
12.3 Loans extended	3	13	- 10	6	30	- 24
12.4 Other Liabilities	--	16	- 16	-	104	- 104
13. Other Long-term Capital--Deposit Money Banks	59	13	+ 46	23	25	- 2
13.1 Assets	--	--	--	-	-	-
13.2 Loans	58	13	+ 45	23	20	+ 3
13.3 Other Liabilities	1	--	+ 1	-	5	- 5
14. Other Long-term Capital--Other Sectors	627	572	+ 55	755	512	+ 243
14.1 Assets	--	--	--	-	-	-
14.2 Loans	612	572	+ 40	755	504	+ 251
14.3 Other Liabilities	15	--	+ 15	-	8	- 8
15. Other Short-term Capital--Official Sector	1,799	1,989	- 190	1,731	1,276	+ 455
15.1 Assets	43	--	+ 43	8	-	+ 8
15.2 Loans	1,756	1,487	+ 269	1,586	1,276	+ 310
15.3 Other Liabilities	--	502	- 502	137	-	+ 137

OF PAYMENTS

(Concl.)

(Million U.S. Dollar)

I T E M	1994-95			1995-96P		
	Credit	Debit	Net Credit	Credit	Debit	Net Credit
16. Other Short-term Capital-Deposit Money Banks	103	204	- 101	722	2	+ 720
16.1 Assets	-	162	- 162	185	-	+ 185
16.2 Bilateral Balances--Assets	11	-	+ 11	1	-	+ 1
16.3 Bilateral Balances--Liabilities	32	-	+ 32	-	2	- 2
16.4 Liabilities under Non-Resident Accounts	-	42	- 42	10	-	+ 10
16.5 Other Liabilities	60	-	+ 60	526	-	+ 526
17. Other Short-term Capital--Other Sectors	211	15	+ 196	580	180	+ 400
17.1 Assets	-	15	- 15	-	180	- 180
17.2 Loans	-	-	-	55	-	+ 55
17.3 Other Liabilities	211	-	+ 211	525	-	+ 525
D. RESERVES	294	532	- 238	765	315	+ 450
I. ASSETS	115	448	- 333	697	283	+ 414
18. Monetary Gold	9	9	-	7	7	-
18.1 Total changes in holdings	6	-	+ 6	7	-	+ 7
18.2 Counterpart to monetization	3	-	+ 3	-	-	-
18.3 Counterpart to valuation changes	-	9	- 9	-	7	- 7
19. Special Drawing Rights	-	2	- 2	2	1	+ 1
19.1 Total changes holdings	-	2	- 2	2	-	+ 2
19.2 Counterpart to allocation	-	-	-	-	-	-
19.3 Counterpart to valuation changes	-	-	-	-	1	- 1
20. Reserve position in the Fund	-	-	-	-	-	-
20.1 Total changes in holding	-	-	-	-	-	-
20.2 Counterpart to valuation changes	-	-	-	-	-	-
21. Foreign Exchange (Central Bank)	47	437	- 390	688	53	+ 635
21.1 Total changes in holdings	-	437	- 437	688	-	+ 688
21.2 Counterpart to valuation changes	47	-	+ 47	-	53	- 53
22. Foreign Exchange (Deposit Money Banks)	59	-	+ 59	-	222	- 222
22.1 Total changes in holdings	47	-	+ 47	-	218	- 218
22.2 Counterpart to valuation changes	12	-	+ 12	-	4	- 4
II. LIABILITIES	179	84	+ 95	68	32	+ 36
23. Use of Fund Credit	179	-	+ 179	68	32	+ 36
23.1 Total changes in holdings	179	-	+ 179	68	-	+ 68
23.2 Counterpart to valuation changes	-	84	- 84	-	32	- 32
E. ERRORS AND OMISSIONS (NET)	-	75	- 75	-	57	- 57

8.3 GOLD AND FOREIGN EXCHANGE RESERVES

(Million U.S. Dollar)

END JUNE / MONTH	GOLD	S.D.Rs	FOREIGN EXCHANGE	TOTAL
1985	605	3	582	1,190
1986	670	28	940	1,638
1987	865	16	903	1,784
1988	847	11	468	1,326
1989	725	6	496	1,227
1990	685	2	764	1,451
1991	716	2	672	1,390
1992	692	3	1,066	1,761
1993	765	5	599	1,369
1994	792	2	2,543	3,337
1995	793	4	2,933	3,730
1996	786	2	2,463	3,251
1995 Jul.	789	14	2,297	3,100
Aug.	785	2	2,269	3,056
Sep.	780	2	1,823	2,605
Oct.	718	13	1,668	2,399
Nov.	719	1	1,370	2,090
Dec.	719	15	2,024	2,758
1996 Jan.	717	15	1,434	2,166
Feb.	716	8	1,680	2,404
Mar.	713	86	2,015	2,814
Apr.	713	12	1,884	2,609
May	707	1	1,772	2,480
Jun.	786	2	2,463	3,251

8.4 EXPORTS AND IMPORTS BY

COMMODITY	1992-93		1993-94	
	Exports	Imports	Exports	Imports
GRAND TOTAL	6,819.3	9,963.2	6,812.8	8,561.6
Food and Live Animals Chiefly for Food	647.9	888.5	614.6	601.0
Live animals chiefly for Food	2.9	0.4	2.5	2.7
Milk and cream	-	10.3	0.2	16.5
Fish fresh, chilled, frozen	182.3	..	153.9	..
Wheat (including spelt) and meslin unmilled	-	468.7	1.0	239.8
Rice	318.2	..	242.6	4.1
Vegetables and fruit	58.4	120.7	59.6	94.8
Sugar and honey	55.1	25.1	125.0	18.5
Tea and mate	0.2	207.5	2.8	186.3
Spices	12.2	12.9	11.0	10.2
Feeding stuff for animals (not including unmilled cereals)	0.5	0.4	0.5	0.5
Others n.e.s.	18.1	42.5	15.5	27.6
Beverages and Tobacco	6.6	2.9	4.4	3.0
Beverages	-	2.7	-	2.9
Tobacco and tobacco manufactures	6.6	0.2	4.4	0.1
Others n.e.s.	..	-	-	-
Crude Materials, Inedible, Except Fuels	411.5	537.2	238.6	563.7
Hides, skins and furskins, raw	..	31.6	..	33.7
Oil seeds and oleaginous fruit	7.0	28.6	16.6	24.3
Crude rubber (including synthetic and reclaimed)	0.2	37.2	0.1	38.4
Cork and wood	0.1	10.6	-	11.3
Cotton	319.9	11.5	141.6	80.2
Synthetic fibres suitable for spinning	3.3	74.8	1.1	76.1
Wool and other animal hair (excluding wool tops)	12.1	12.1	10.2	10.2
Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	9.4	31.4	8.0	31.5
Metalliferous ores and metal scrap	7.4	138.8	3.5	121.1
Crude animals and vegetable materials, n.s.	48.0	35.0	52.4	35.2
Others n.e.s.	4.1	125.6	5.1	101.7
Mineral Fuels, Lubricants and Related Materials	82.3	1,612.6	53.7	1,538.5
Coal coke and briquettes	-	62.6	-	65.0
Petroleum, petroleum products and related materials	82.3	1,543.3	53.7	1,398.2
Others n.e.s.	-	6.7	-	75.3
Animal and Vegetable Oils, Fats and Waxes	..	642.0	..	552.5
Animal oils and fats	-	22.0	..	30.9
Fixed vegetable oil and fats	..	592.4	..	490.6
Others n.e.s.	-	27.6	..	31.0

PRINCIPAL COMMODITIES/COMMODITY GROUPS

(Million US Dollars)

COMMODITY	1992-93		1993-94	
	Exports	Imports	Exports	Imports
Chemicals and Related Products n.s.	31.6	1,493.9	30.3	1,494.0
Organic Chemicals	3.7	357.2	4.2	349.9
Inorganic Chemicals	0.4	57.8	0.7	55.9
Dyeing, tanning and colouring materials	0.5	124.0	0.8	136.2
Medicinal and pharmaceutical products	19.8	230.4	19.2	231.8
Essential oils and perfume materials toilet, polishing and cleansing preparations	1.9	25.6	1.8	20.3
Fertilizers, manufactured	1.0	248.0	..	265.8
Chemical materials and products n.s.	3.9	191.6	3.2	171.3
Others n.e.s.	0.4	259.3	0.4	262.8
Manufactured Goods Classified Chiefly by Materials	3,791.6	857.1	3,935.7	838.5
Leather, leather manufactures, n.s. and dressed furskins	236.9	9.3	236.8	6.6
Rubber manufactures, n.s.	1.3	57.9	0.7	54.3
Cork and wood manufactures (excluding furniture)	1.0	3.7	1.7	3.8
Paper, paperboard, and articles of paper pulp of paper or of paperboard	0.7	138.0	0.8	124.5
Textile yarn, fabrics, made up articles n.s. and related products	3,506.2	106.2	3,652.5	99.3
Lime, cement and fabricated construction materials (except glass and clay materials)	2.2	3.8	0.7	17.9
Iron and steel	0.2	316.1	0.8	326.9
Non-ferrous metals	..	110.0	0.1	101.2
Manufactures of metals n.s.	26.8	70.6	28.1	75.0
Others n.e.s.	16.3	41.5	13.5	29.0
Machinery and Transport Equipment	25.1	3,673.0	18.9	2,717.4
Power generating machinery and equipment	..	197.4	..	255.6
Machinery specialized for particular industries	8.6	1,290.1	11.3	778.9
Metal working machinery	0.8	29.2	0.3	28.8
General industrial machinery and equipment n.s. and machine parts	5.1	269.0	1.1	271.0
Office machines and automatic data processing equipment	0.2	62.4	0.2	67.9
Telecommunications and sound recording and reproducing apparatus and equipment	0.5	295.5	0.3	190.7
Electrical machinery, apparatus and appliance, n.s. and electrical parts thereof (including non-electrical counter-part n.s. of electrical house hold type equipment)	2.2	267.9	1.1	295.1
Road vehicles (including air cushion vehicles)	4.1	1,003.3	2.9	537.9
Others n.e.s.	3.6	258.2	1.7	291.5
Miscellaneous Manufactured Articles	1,804.1	245.2	1,900.8	209.9
Furniture and parts thereof	1.0	1.5	1.0	4.7
Articles of apparel and clothing accessories	1,467.9	0.5	1,498.3	0.9
Footwear	37.7	0.4	37.6	0.4
Professional scientific and controlling instruments and apparatus n.s.	102.9	125.1	96.0	93.3
Photographic apparatus, equipment and supplies and optical goods, n.s., watches and clocks	0.4	34.1	0.7	29.6
Others n.e.s.	194.2	83.6	267.2	81.0
Commodities and Transactions not classified elsewhere	18.6	10.6	15.8	43.1

(Contd.)

8.4 EXPORTS AND IMPORTS BY

COMMODITY	1994-95		1995-96	
	Exports	Imports	Exports	Imports
GRAND TOTAL	8,141.6	10,401.4	8,707.1	11,804.9
Food and Live Animals Chiefly for Food	920.6	831.6	823.2	870.1
Live animals chiefly for Food	2.2	3.0	2.2	1.2
Milk and cream	1.0	16.8	0.3	30.6
Fish fresh, chilled, frozen	154.3	..	140.7	6.6
Wheat (including spelt) and meslin unmilled	-	413.3	0.5	437.5
Rice	454.6	..	504.5	..
Vegetables and fruit	56.3	133.7	64.3	165.3
Sugar and honey	215.3	6.3	85.4	6.8
Tea and mate	7.5	187.8	..	169.8
Spices	9.2	31.6	9.9	13.3
Feeding stuff for animals (not including unmilled cereals)	3.4	3.7	0.9	0.8
Others n.e.s.	16.8	35.4	14.5	38.2
Beverages and Tobacco	6.0	9.1	2.9	7.8
Beverages	-	8.9	..	7.5
Tobacco and tobacco manufactures	6.0	0.2	2.9	0.2
Others n.e.s.	-	-	-	0.1
Crude Materials, Inedible, Except Fuels	238.7	832.3	702.7	682.0
Hides, skins and furskins, raw	..	37.6	0.3	25.3
Oil seeds and oleaginous fruit	20.6	25.0	16.6	34.9
Crude rubber (including synthetic and reclaimed)	0.3	47.9	0.3	66.2
Cork and wood	0.2	10.4	..	13.7
Cotton	126.8	307.2	566.6	69.3
Synthetic fibres suitable for spinning	1.5	123.5	0.7	92.1
Wool and other animal hair (excluding wool tops)	14.0	10.2	15.0	10.8
Crude fertilizers and crude minerals (excluding coal, petroleum and precious stores)	6.5	27.8	6.1	37.3
Metalliferous ores and metal scrap	5.6	94.5	8.7	137.5
Crude animals and vegetable materials, n.s.	57.8	31.2	76.4	36.2
Others n.e.s.	5.4	117.0	11.9	158.7
Mineral Fuels, Lubricants and Related Materials	81.7	1,790.4	67.3	2,102.3
Coal coke and briquettes	0.9	51.3	..	-
Petroleum, petroleum products and related materials	80.8	1,587.5	67.3	1,988.5
Others n.e.s.	-	151.6	..	114.1
Animal and Vegetable Oils, Fats and Waxes	0.5	1,078.5	-	940.0
Animal oils and fats	-	30.8	-	35.6
Fixed vegetable oil and fats	..	1,020.0	-	873.3
Others n.e.s.	0.5	27.7	-	31.1

PRINCIPAL COMMODITIES/COMMODITY GROUPS

(Concl'd.)

(Million US Dollars)

COMMODITY	1994-95		1995-96	
	Exports	Imports	Exports	Imports
Chemicals and Related Products n.s.	54.7	1,587.4	61.8	2,187.1
Organic Chemicals	2.5	435.0	2.9	547.9
Inorganic Chemicals	0.5	56.4	0.1	68.4
Dyeing, tanning and colouring materials	0.9	135.3	0.6	148.8
Medicinal and pharmaceutical products	36.6	264.1	42.6	327.9
Essential oils and perfume materials toilet, polishing and cleansing preparations	3.1	30.8	3.1	41.6
Fertilizers, manufactured	5.1	128.1	2.4	345.5
Chemical materials and products n.s.	5.8	222.6	5.8	292.1
Others n.e.s.	0.2	315.1	4.3	414.9
Manufactured Goods Classified Chiefly by Materials	4,628.5	967.6	4,824.8	1,256.5
Leather, leather manufactures, n.s. and dressed furskins	281.2	10.9	266.1	8.3
Rubber manufactures, n.s.	0.8	64.5	0.7	91.9
Cork and wood manufactures (excluding furniture)	1.3	4.5	1.8	5.6
Paper, paperboard, and articles of paper pulp of paper or of paperboard	1.7	126.9	0.6	156.5
Textile yarn, fabrics, made up articles n.s. and related products	4,295.6	80.1	4,511.3	138.6
Lime, cement and fabricated construction materials (except glass and clay materials)	0.2	26.4	..	4.2
Iron and steel	0.3	372.8	..	496.1
Non-ferrous metals	..	122.3	..	182.9
Manufactures of metals n.s.	30.5	112.2	28.7	133.8
Others n.e.s.	16.9	47.0	15.3	38.6
Machinery and Transport Equipment	16.4	2,989.6	18.5	3,123.1
Power generating machinery and equipment	0.2	505.8	0.3	742.6
Machinery specialized for particular industries	6.6	947.2	7.1	740.3
Metal working machinery	0.6	28.7	0.8	26.7
General industrial machinery and equipment n.s. and machine parts	1.0	358.1	2.0	376.2
Office machines and automatic data processing equipment	0.1	76.1	..	67.7
Telecommunications and sound recording and reproducing apparatus and equipment	0.6	178.5	0.4	171.8
Electrical machinery, apparatus and appliance, n.s. and electrical parts thereof (including non-electrical counter-part n.s. of electrical house hold type equipment)	1.8	277.5	1.7	442.4
Road vehicles (including air cushion vehicles)	2.1	437.1	2.7	478.9
Others n.e.s.	3.4	180.6	3.5	76.5
Miscellaneous Manufactured Articles	2,174.1	240.7	2,187.8	297.8
Furniture and parts thereof	5.7	0.9	3.5	1.4
Articles of apparel and clothing accessories	1,669.9	1.1	1,677.8	2.3
Footwear	49.1	0.7	51.1	1.6
Professional scientific and controlling instruments and apparatus n.s.	114.6	98.7	128.3	103.4
Photographic apparatus, equipment and supplies and optical goods, n.s., watches and clocks	0.2	40.0	0.2	45.4
Others n.e.s.	334.6	99.3	326.9	143.7
Commodities and Transactions not classified elsewhere	20.4	74.2	18.0	337.9

Source: Federal Bureau of Statistics.

8.5 EXPORTS AND IMPORTS BY

COUNTRY / TERRITORY	1992-93		1993-94		1994-95		1995-96	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
GRAND TOTAL	6,819.3	9,963.2	6,812.8	8,561.6	8,141.6	10,401.4	8,707.1	11,804.9
A. North America	1,100.7	1,037.1	1,140.5	948.8	1,483.5	1,099.0	1,483.1	1,153.8
Canada	154.8	97.4	161.5	41.1	167.0	123.0	131.6	102.9
U.S.A.	945.4	939.7	978.0	907.3	1,316.0	976.0	1,350.7	1,050.1
North American, n.s.	0.5	..	1.0	0.4	0.5	..	0.8	0.8
B. Central America	18.7	5.5	31.6	8.6	31.1	6.1	27.4	20.8
C. South America	37.1	161.5	59.6	84.4	78.7	150.1	125.7	143.1
D. Western Europe	2,185.5	2,846.9	2,289.2	2,328.7	2,618.5	2,797.3	2,636.7	3,158.4
I. E.E.C.	1,995.2	2,429.3	2,112.7	2,001.7	2,427.3	2,423.2	2,457.1	2,393.3
Belgium	115.6	106.6	157.9	121.0	211.7	95.9	206.6	129.9
Denmark	39.5	42.2	35.8	23.4	47.5	58.9	52.0	96.2
France	293.9	414.0	277.5	343.9	269.6	251.5	273.1	223.8
Irish Republic	10.2	20.9	6.2	16.5	7.1	28.2	10.8	44.5
Italy	174.1	335.9	185.0	206.3	239.0	543.1	242.8	403.6
Luxembourg	2.4	1.7	1.7	1.2	2.0	3.1	1.6	2.4
Netherlands	180.2	198.5	208.6	138.3	262.2	139.7	263.7	192.8
U.K.	487.4	478.2	531.4	419.6	574.5	531.9	555.3	515.1
Germany	531.7	745.5	544.5	662.1	571.1	703.8	592.2	688.8
E.E.C. , n.s.	160.2	85.8	164.1	69.4	242.6	67.1	259.0	96.2

(Contd.)

SELECTED COUNTRIES/TERRITORIES

(Million US Dollars)

COUNTRY / TERRITORY	1992-93		1993-94		1994-95		1995-96	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
II. E.F.T.A. (Excluding U.K.)	186.6	414.4	173.5	325.5	188.0	373.6	176.7	754.0
Austria	25.5	39.0	27.9	20.8	31.0	19.3	22.9	24.8
Finland	20.3	21.6	11.4	21.5	17.1	30.1	17.6	68.4
Norway	29.2	17.0	28.5	13.1	32.7	10.4	28.4	23.4
Sweden	75.2	110.0	70.0	92.7	75.2	70.8	75.4	78.8
Switzerland	36.3	226.8	35.7	177.4	31.9	243.0	32.4	558.6
III. Others (Excluding Turkey)	3.7	3.2	3.0	1.5	3.2	0.5	2.9	11.1
E. Eastern Europe	83.1	135.8	72.2	152.5	92.1	271.8	140.6	278.1
Bulgaria	2.7	5.7	1.2	3.2	7.6	3.4	1.2	11.0
Czechoslovakia	13.2	27.9	1.8	4.3	1.3	4.2	2.5	1.3
Czech Republic	0.3	0.1	1.3	1.9	2.7	1.9	3.5	4.9
Hungary	3.0	25.5	3.9	30.4	7.9	18.7	11.0	21.4
Poland	1.0	9.2	1.1	11.4	3.1	37.9	4.8	24.9
Romania	2.7	9.4	1.1	19.6	3.6	12.5	5.5	45.9
Russian Federation	45.2	50.7	25.6	69.4	13.2	141.7	17.2	122.6
Eastern Europe, n.s.	15.0	7.3	36.2	12.3	52.7	51.5	94.6	46.1

(Contd.)

8.5 EXPORTS AND IMPORTS BY

COUNTRY / TERRITORY	1992-93		1993-94		1994-95		1995-96	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
F. Middle East	1,090.6	1,692.5	918.9	1,770.8	1,013.9	2,196.7	1,084.9	2,585.0
I. E.C.O.	136.5	240.1	67.4	170.0	187.8	261.2	202.6	262.5
Iran	43.5	177.2	19.0	130.2	76.8	164.5	118.0	183.2
Turkey	93.0	62.9	48.4	39.8	111.0	96.7	84.6	79.3
II. Asian Countries	926.2	1,431.6	822.4	1,591.0	754.4	1,880.9	815.9	2,275.9
Abu Dhabi	2.2	64.5	2.8	60.7	4.4	80.1	3.5	102.6
Bahrein	22.4	104.3	18.6	184.4	27.0	89.8	32.2	118.4
Cyprus	39.0	23.1	25.2	0.8	31.2	1.1	23.1	1.0
Dubai	403.3	143.0	426.4	125.3	321.8	187.3	406.3	194.3
Iraq	10.6	0.1	15.3	0.3	11.5	..	8.8	..
Jordan	22.7	11.9	5.1	33.5	15.9	16.0	10.4	17.9
Kuwait	39.1	326.5	26.1	455.3	24.1	605.2	27.5	752.2
Lebanon	4.9	0.3	3.7	0.3	8.6	0.8	6.4	0.3
Sultanat-e-Oman	23.4	11.1	24.4	40.4	27.5	82.7	36.0	24.2
Qatar	10.8	93.2	12.2	130.0	14.8	106.6	20.2	61.2
Republic of Yemen	23.7	9.0	19.3	1.2	26.9	24.8	14.2	23.1
Saudi Arabia	318.9	542.5	238.1	463.0	223.6	514.4	210.6	694.5
Syria	0.8	0.1	2.9	0.1	12.2	8.5	9.1	0.2
Middle East, n.s.	4.4	102.0	2.3	95.7	4.9	163.6	7.6	286.0

(Contd.)

SELECTED COUNTRIES/TERRITORIES

(Concl.)

(Million US Dollars)

COUNTRY / TERRITORY	1992-93		1993-94		1994-95		1995-96	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
III. African Countries	27.9	20.8	29.1	9.8	71.7	54.6	66.4	46.6
Libya	5.0	8.6	3.3	..	7.8	..	4.2	11.1
Somalia	1.3	1.2	4.1	1.4	15.6	2.5	2.6	0.3
Sudan	7.5	1.3	3.0	0.4	2.3	1.4	2.6	1.3
Egypt (U.A.R.)	6.5	9.1	13.5	7.4	34.9	48.2	51.2	30.1
African Countries, n.s.	7.6	0.6	5.2	0.6	11.1	2.5	5.8	3.8
G. Other Africa	229.6	178.7	220.3	169.0	325.2	238.0	340.0	301.4
H. Other Asia	1,940.5	3,668.0	1,952.2	2,899.6	2,357.8	3,454.5	2,726.9	3,900.8
Afghanistan	16.6	8.7	15.3	11.2	32.7	11.4	13.4	22.5
Bangladesh	111.3	43.5	102.5	28.6	169.6	31.2	116.4	34.2
China	41.6	420.9	53.7	439.0	90.6	458.0	144.8	544.6
Hong Kong	449.9	52.3	495.0	38.6	537.7	42.5	790.6	50.0
India	83.8	67.3	42.7	70.5	41.6	64.0	41.1	94.5
Indonesia	61.9	108.6	33.0	111.6	89.0	122.5	157.2	130.3
Japan	466.4	1,582.9	545.7	1,008.0	543.0	994.0	574.4	1,262.4
Malaysia	54.2	512.3	48.7	471.0	50.9	912.7	41.4	852.6
Singapore	136.4	156.8	90.3	167.6	103.1	185.8	91.3	207.0
South Korea	165.0	445.5	181.8	315.9	271.8	333.7	272.7	332.0
Sri Lanka (Ceylone)	164.9	36.9	65.9	38.4	60.6	49.6	66.2	45.7
Thiland	61.7	63.1	52.0	62.4	52.4	85.2	113.9	130.1
Asian countries, n.s.	126.8	169.2	225.6	136.8	314.8	163.9	303.5	194.9
I. Oceania	133.5	237.2	128.3	199.2	140.5	187.6	142.1	263.5
Australia	102.6	219.9	102.0	183.3	112.1	172.6	111.6	248.9
Newzealand	24.2	17.0	23.3	15.6	26.0	14.3	28.5	14.5
Pacific Islands, n.s.	6.7	0.3	3.0	0.3	2.4	0.7	2.0	0.1

Source: Federal Bureau of Statistics.

INDICES OF UNIT VALUE

By Groups

=100)

I M P O R T S										
All Groups	Food and live Animals	Beve- rages and Tobacco	Crude Materials inedible except Fuels	Mineral Fuels and Lubricants	Veg./ Animal oil and Fats	Chemicals	Manu- factured Goods	Machinery and Transport Equip- ments	Misc. Manu- factured Articles	PERIOD
253.34	193.10	156.66	199.10	138.18	186.73	296.96	308.34	578.89	395.71	1991-92
266.72	217.35	180.66	214.93	145.17	202.47	303.06	352.19	658.10	393.74	1992-93
297.14	239.59	289.68	229.77	141.68	262.72	333.80	435.11	660.70	488.97	1993-94
348.38	274.53	295.81	258.22	158.86	372.66	398.17	498.38	754.86	589.31	1994-95
384.44	310.23	347.69	322.81	182.87	431.58	399.74	575.06	756.37	644.99	1995-96
										1994-95
335.83	265.48	244.18	252.62	155.27	310.71	391.91	473.98	777.15	590.04	Jul.-Sep.
344.94	273.17	464.38	247.10	160.23	348.80	380.65	501.87	722.40	656.43	Oct.-Dec.
351.63	279.98	239.82	257.27	153.65	401.14	407.78	507.26	778.84	624.91	Jan.-Mar.
361.11	279.54	234.84	275.90	166.27	429.98	412.34	510.42	741.05	485.85	Apr.-Jun.
										1995-96
364.53	285.58	339.76	306.09	155.84	427.78	372.29	532.00	739.76	619.70	Jul.-Sep.
388.26	315.61	351.02	331.84	181.12	458.17	410.90	618.70	742.31	595.49	Oct.-Dec.
395.44	320.28	394.11	352.64	195.26	461.43	408.27	601.47	735.39	667.33	Jan.-Mar.
389.54	319.46	305.87	300.68	199.24	378.93	407.49	548.06	808.00	697.44	Apr.-Jun.

Source: Federal Bureau of Statistics.

8.7 QUANTUM INDEX NUMBERS OF (1980-81

E X P O R T S									
PERIOD	All Groups	Food and live Animals	Beve- rages and Tobacco	Crude Materials inedible except Fuels	Mineral Fuels and Lubri- cants	Chem- icals	Manu- factured Goods	Machinery and Transport Equipment	Misc. Manu- factured Articles
1991-92	234.50	143.30	134.41	154.62	106.95	177.62	329.21	196.27	430.73
1992-93	219.65	117.67	72.91	109.23	45.84	159.12	331.52	143.05	483.25
1993-94	234.79	112.74	66.50	83.48	81.99	318.71	387.65	86.62	475.50
1994-95	266.74	168.41	74.75	170.70	128.34	318.52	359.63	193.78	554.05
1995-96	238.55	163.44	32.28	117.77	86.13	407.47	333.34	91.37	491.94
1994-95									
Jul.-Sep.	267.18	103.32	34.77	289.61	64.17	297.18	359.15	185.32	527.79
Oct.-Dec.	310.72	187.16	95.61	291.86	64.17	405.62	367.91	157.15	611.88
Jan.-Mar.	222.80	184.76	92.84	33.42	160.42	268.14	325.95	142.28	487.53
Apr.-Jun.	266.26	198.49	75.77	67.92	224.58	303.14	385.52	290.38	588.98
1995-96									
Jul.-Sep.	172.35	126.29	46.99	30.71	62.64	391.71	257.32	64.95	413.50
Oct.-Dec.	195.95	163.19	17.15	81.62	32.08	193.19	257.45	45.83	432.62
Jan.-Mar.	275.38	166.87	30.75	274.75	132.11	499.14	315.42	136.07	543.95
Apr.-Jun.	310.53	197.42	34.23	83.99	117.92	545.85	503.16	118.63	577.70

EXPORTS AND IMPORTS BY GROUPS

=100)

I M P O R T S										
All Groups	Food and live Animals	Beve- rages and Tobacco	Crude Materials inedible except Fuels	Mineral Fuels and Lubricants	Veg./ Animal oils and Fats	Chemicals	Manu- factured Goods	Machinery and Transport equip- ments	Misc. Manu- factured Articles	PERIOD
172.07	224.00	249.57	178.02	151.08	223.25	166.83	79.44	264.71	201.69	1991-92
194.83	280.84	209.34	153.00	155.47	268.85	217.56	64.68	397.40	156.06	1992-93
174.48	229.19	339.05	169.24	159.16	243.35	170.09	65.64	269.94	177.86	1993-94
192.24	258.54	866.33	249.58	165.96	284.79	212.55	76.08	240.73	212.31	1994-95
183.96	208.98	423.09	159.57	192.24	227.98	181.47	76.31	253.40	219.90	1995-96
										1994-95
182.87	188.97	331.99	347.35	144.54	330.08	214.28	61.51	200.09	239.10	Jul.-Sep.
169.88	232.28	944.59	167.58	163.19	240.47	145.93	80.36	220.48	192.93	Oct.-Dec.
206.81	352.85	743.73	184.33	185.55	273.33	210.46	77.51	285.20	177.93	Jan.-Mar.
209.41	260.07	1445.00	299.06	170.54	295.27	279.53	84.93	257.21	239.28	Apr.-Jun.
										1995-96
172.31	93.88	477.05	195.92	169.51	211.48	133.15	68.15	344.50	232.08	Jul.-Sep.
186.51	262.23	192.97	150.36	207.89	201.81	195.61	69.79	206.58	227.03	Oct.-Dec.
194.79	272.75	432.58	124.22	191.06	243.16	243.11	81.03	247.27	230.18	Jan.-Mar.
182.22	207.07	589.77	167.77	200.50	255.46	154.01	86.28	215.23	190.31	Apr.-Jun.

Source: Federal Bureau of Statistics.

8.8 FOREIGN TRADE

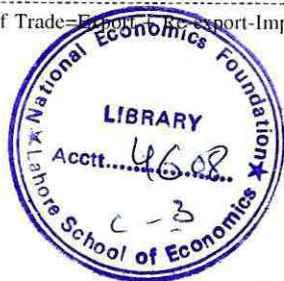
(Million US Dollar)

PERIOD	Exports	Re-exports	Imports	Re-imports	Balance of Trade
1991-92	6,912.2	46.5	253.3	2.8	(-) 2,297.4
1992-93	6,819.3	34.1	63.2	1.8	(-) 3,111.6
1993-94	6,812.8	26.9	8,561.6	3.9	(-) 1,725.8
1994-95	8,141.6	35.4	10,401.4	3.1	(-) 2,227.5
1995-96	8,707.1	38.7	11,804.9	4.4	(-) 3,063.5
1995 July	518.5	2.6	815.3	0.1	(-) 294.3
August	552.5	2.4	887.3	0.1	(-) 332.5
September	554.2	3.3	910.4	0.7	(-) 353.6
October	545.1	1.1	960.1	0.1	(-) 414.1
November	627.7	3.8	969.6	0.3	(-) 338.4
December	717.2	3.1	963.0	0.5	(-) 243.2
1996 January	824.1	3.2	930.5	0.2	(-) 103.3
February	718.0	0.8	981.9	0.3	(-) 263.4
March	870.8	1.6	1,183.7	0.4	(-) 311.7
April	811.2	1.6	964.3	0.1	(-) 151.6
May	857.4	10.9	1,005.1	0.3	(-) 137.1
June	1,110.4	4.3	1,233.7	1.3	(-) 120.3

Balance of Trade = Exports - Re-exports - Imports + Re-imports

Source: Federal Bureau of Statistics.

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